

## FORMS

All transactions shall, at a minimum, be in accordance within the guidelines of this document, Accounting Procedures for Kentucky School Activity Funds (*Redbook*), and using the forms contained in this Forms section or the equivalent of a form specified in this section. The equivalent must contain, at a minimum, the information listed on the forms, however, additional information may be added, if desired. If the school is using an automated accounting program for its school activity fund money, manual ledgers are not required as long as they contain at least the information included on the *Redbook* forms.

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## SCHOOL ACTIVITY FUND REQUISITION AND REPORT OF TICKET SALES

School
Activity Account

Event
Date

### TICKET REQUISITION

This is to acknowledge receipt of the tickets to be sold for the event listed above. The first ticket number sold (not the one attached to this form) is recorded in Column B. The unsold end ticket number will be recorded in Column D on completion of ticket sales. Receipt of \$\_\_\_\_\_ is acknowledged.

Attach full and unsold start and end tickets here.
--

\_\_\_\_\_  
Person in Charge of Sales

### REPORT OF SALES

		A	B	C	D	E	F	G	H
		Ticket Color	Beginning Ticket No. Sold	Ticket Seller Initials	Next Available Ticket No.	Ticket Seller Initials	No. of Tickets Sold (D-B)	Price Each	Total (F x G)
Advance Sales	Adults								
	Students								
Gate 1	Adults								
	Students								
Gate 2	Adults								
	Students								
Gate 3	Adults								
	Students								
Gate 4	Adults								
	Students								

Checks	
Currency	
Coins	
Total	

Total Sales	
Change Returned	
Cash Over/Short	
Total Cash	

Person in Charge of Sales: \_\_\_\_\_

Received by: \_\_\_\_\_  
School Treasurer

Ticket Taker: \_\_\_\_\_

**\*Form and money must be turned in to the school treasurer the first work day following the event.**



## SCHOOL ACTIVITY FUND FUNDRAISER WORKSHEET

School
Activity Account
Fundraiser

1. Total Count of Items to be sold

2. Item	Count x	Sales Price =	Budget Sales
Total count must equal line 1.			

Total Budgeted Sales

3. Receipts Date	Amount

Receipts Date	Amount

Total Receipts

**4. Expenses**

Date	Check #	Amount

Date	Check #	Amount

Total Expenses

5. Total Count of Unsold Items

6. Item	Count x	Sales Price =	Unsold Items
Total count must equal line 5.			

Total Value of Unsold Items

7. Anticipated Profit (Line 2 - Line 4)	
8. Value of Unsold Items (Line 6)	
9. Subtotal (Line 7 - Line 8)	
10. Actual Profit (Line 3 - Line 4)	
11. Cash Over/Short (Line 9 - Line 10)	

**Disposition of Unsold Items:**

	Returned
	Held for Next Fundraiser
	Other (Please explain)

12. Explain Over/Short	
------------------------	--

*Investigate significant differences immediately.*

Sponsor \_\_\_\_\_  
Date of Fundraiser \_\_\_\_\_

Principal \_\_\_\_\_  
Date Submitted \_\_\_\_\_

\* Must be turned in to principal within one week of the end of the fundraising period or event.







## SCHOOL ACTIVITY FUND INVENTORY CONTROL WORKSHEET

School
Activity Account
Type of Inventory
Vendors
Reporting Period

**1. Beginning Inventory (What you start with)**

Item	Count x	Sales Price	=Total
Cash in the machine or on hand.			

**Total Value  
Beginning Inventory**

**2. Deliveries (What you purchased and receive to sell)**

Date	Item	Count x	Sales Price	=Total
Cash in the machine or on hand.				

**Total Value  
Deliveries**

**Subtotal A**

**3. Collections (collected to turn in to Bookkeeper/Treasurer)**

Date	Initials	Amount	Date	Initials	Amount

**Total Value  
Collections**

**4. Ending Inventory (What you end with)**

Item	Count x	Sales Price	=Total
Cash in the machine or on hand.			

**Total Value  
Ending Inventory**

**Subtotal B**

If Subtotal A > Subtotal B, there is a shortage. Explain if significant. List retail value of items lost, damaged, or given away.

If Subtotal B > Subtotal A, there is an overage. Explain if significant.

\_\_\_\_\_  
Signature of Person Completing Inventory  
Must be completed monthly

\_\_\_\_\_  
Date

## SCHOOL ACTIVITY FUND MULTIPLE RECEIPT FORM

School
Activity Fund

Receipt No.
Fundraiser
Teacher

#	Student Signature	Cash	Check	#	Student Signature	Cash	Check
1.				16.			
2.				17.			
3.				18.			
4.				19.			
5.				20.			
6.				21.			
7.				22.			
8.				23.			
9.				24.			
10.				25.			
11.				26.			
12.				27.			
13.				28.			
14.				29.			
15.				30.			

Total Cash	
Total Coins	
Total Checks	
Total	

Students in third grade and above must sign form as they turn in money. The form and collected money must be given to the school treasurer daily. The school treasurer will complete the Recapitulation section and issue a receipt.

Recapitulation: # of Students

Total Amount Remitted

\_\_\_\_\_  
Person Remitting Money

\_\_\_\_\_  
School Treasurer

\_\_\_\_\_  
Date  
*White copy to School Treasurer*

\_\_\_\_\_  
Date  
*Yellow Copy for Teacher or Sponsor*

## SCHOOL ACTIVITY FUND PURCHASE ORDER

School _____	P.O. No. _____
Activity _____	Date _____

Vendor Name \_\_\_\_\_

Address: \_\_\_\_\_

Line	Quantity	Catalog Number	Item Description	Cost
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
<b>Total</b>				

**I authorize this order and there are sufficient funds available for this purchase.**

Authorized by: \_\_\_\_\_

Approved by: \_\_\_\_\_

**Amount Paid:** \_\_\_\_\_

**Date Paid:** \_\_\_\_\_

**Check Number:** \_\_\_\_\_

## SCHOOL ACTIVITY FUND STANDARD INVOICE

School	Date
Activity Account	

<b>Vendor's Name</b>	
<b>Address</b>	
<b>Phone</b>	
<b>Fax</b>	
<b>FEIN or Soc. Sec. No.</b>	

Quantity	Item Description	Unit Cost	Total Cost
<b>Total</b>			

<b>Vendor Certification</b>
<p>I hereby certify that the above is a correct statement of amount due from the above named school for articles furnished or services rendered as itemized.</p>
<p>_____ Vendor Signature</p>

### Approval for Payment

\_\_\_\_\_  
Person Receiving Item

\_\_\_\_\_  
Sponsor

\_\_\_\_\_  
Principal (not required if Principal Signed Above)

**Amount Paid:** \_\_\_\_\_

**Date Paid:** \_\_\_\_\_

**Check No.:** \_\_\_\_\_



### SCHOOL ACTIVITY FUND TRANSFER FORM

School	Transfer No.
	Date

Activity Account	Transfer Amount	
	From	To

**Explanation:**

---



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**Approval**

**\*\*Form must be completed prior to the transfer**

---

**Transfer-From Sponsor (if applicable)**

---

**Principal**

---

### SCHOOL ACTIVITY FUND TRANSFER FORM

School	Transfer No.
	Date

Activity Account	Transfer Amount	
	From	To

**Explanation:**

---



---

**Approval**

**\*\*Form must be completed prior to the transfer**

---

**Transfer-From Sponsor (if applicable)**

---

**Principal**







**SCHOOL ACTIVITY FUND  
STUDENT REFUND / DISBURSEMENT FORM**

School
Activity Fund

Teacher or Sponsor
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#	Student Signature	Amount	#	Student Signature	Amount
1.			16.		
2.			17.		
3.			18.		
4.			19.		
5.			20.		
6.			21.		
7.			22.		
8.			23.		
9.			24.		
10.			25.		
11.			26.		
12.			27.		
13.			28.		
14.			29.		
15.			30.		

Students in 3<sup>rd</sup> grade and above must sign this form as they receive the refund.  
The form must be returned to the school treasurer after all funds are disbursed.

Recapitulation: # of Students

Total Amount Remitted

\_\_\_\_\_  
Person Remitting Money

\_\_\_\_\_  
School Treasurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

*White copy to School Treasurer*

*Yellow Copy for Teacher or Sponsor*





## SCHOOL ACTIVITY FUND TRAVEL VOUCHER

<b>Employee</b>
<b>School</b>
<b>Activity Account</b>
<b>Phone No.</b>

Month	Day	Time of		Location		Mileage	Lodging	Meals	Total
		Departure	Return	From	To				
								B	
<b>Purpose</b>								L	
								D	

Month	Day	Time of		Location		Mileage	Lodging	Meals	Total
		Departure	Return	From	To				
								B	
<b>Purpose</b>								L	
								D	

Month	Day	Time of		Location		Mileage	Lodging	Meals	Total
		Departure	Return	From	To				
								B	
<b>Purpose</b>								L	
								D	

Month	Day	Time of		Location		Mileage	Lodging	Meals	Total
		Departure	Return	From	To				
								B	
<b>Purpose</b>								L	
								D	

	Mileage	Lodging	Meals	Total
<b>Total for Page</b>				
<b>Other Allowed Expenses (attach explanation)</b>				
<b>Submit within one week after travel dates</b>			<b>Grand Total</b>	

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Principal

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**SCHOOL ACTIVITY FUND**

**SALES FROM CONCESSIONS/BOOKSTORE/SCHOOL STORE/PENCIL MACHINE FORM**

School
Activity Account

Date
Turned in by

Activity Fund		
Coins		
Currency		
Checks		
Total		

Explanation

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\_\_\_\_\_  
School Treasurer

\_\_\_\_\_  
Preparer

Original to school treasurer

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**SCHOOL ACTIVITY FUND**

**SALES FROM CONCESSIONS/BOOKSTORE/SCHOOL STORE/PENCIL MACHINE FORM**

School
Activity Account

Date
Turned in by

Activity Fund		
Coins		
Currency		
Checks		
Total		

Explanation

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\_\_\_\_\_  
School Treasurer

\_\_\_\_\_  
Preparer

Original to school treasurer

## SCHOOL ACTIVITY FUND DONATION ACCEPTANCE FORM

<b>School:</b>	<b>Fiscal Year Ending:</b>
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**Date of Gift:**

**Donor Name:**

<b>Donor Address:</b>		
_____		
Street Address		
_____		
Street Address (Continued)		
_____		
City	State	Zip Code

**Donor Phone Number:**

(Circle as appropriate)

<b>Type of Donation:</b>	Cash	Check	Personal Property	Real Property	Service	Other
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**Other gift description including purpose and any restrictions on donation:**

**Was anything of value received in exchange for donation?**      Yes       No

**If yes, description and dollar value:**

\_\_\_\_\_  
Principal

\_\_\_\_\_  
Date

## **Appendix A - Segregation of Duties**

The segregation of duties demands that more than one person be involved in satisfying accounting procedures. The following are recommendations for achieving proper segregation of duties and do not represent requirements of the Redbook. Per KRS 160.345(3)(a), precautions must be taken to protect school activity fund money from loss and limit the liability of persons handling the money.

### **Reasons for Segregation of Duties**

- 1) Because significant amounts of school activity fund cash receipts are collected as currency.
- 2) Internal control procedures designed to safeguard monies collected should be especially emphasized.
- 3) Although the foregoing general principles are helpful in addressing concerns about monetary safety, additional attention should be given to segregating the duties related to school activity funds.
- 4) Specifically, three critical duties should be segregated for internal control purposes:
  - a) Signing checks
  - b) Maintaining fund accounting records
  - c) Reconciling bank statements.

### **Responsible Parties for Segregation of Duties**

#### Principal

- 1) Designated administrator of the school activity fund.
- 2) Important to identify, describe, and monitor the duties of the school treasurer in relation to the segregation of duties.

#### School treasurer

- 1) Typically assigned the task of collecting school activity fund monies from other school staff
  - a. Associated financial tasks include
    - i. Preparing the deposit slip
    - ii. Depositing monies
    - iii. Preparing checks for disbursements.
  - b. Associated reporting tasks include
    - i. Bank reconciliation as used on the monthly/annual report
    - ii. Monthly/Annual financial reporting for all school activity accounts
    - iii. Yearly financial reporting for all actions in the school activity fund.
- 2) Same person generally maintains the school activity fund accounting records
  - a. These tasks demand adequate training and require the school treasurer to have a thorough knowledge of the process of accounting, auditing, and reporting.
  - b. Work of any person handling money should be subject to appropriate checks and balances.
- 3) Signature controls are an important aspect of accounting procedures, therefore two signatures should be required on all checks that result in a disbursement from the school activity fund.

#### Third Person (someone other than the school treasurer and principal)

- 1) Responsible for reconciling bank statements.
- 2) Verifying receipts and expenditures.

## **Segregation of Duties Detailed**

Essential to the process of segregation of duties are internal accounting controls over the school activity fund cash collections.

- 1) Adequate procedures should be established for completing an audit trail that creates sufficient documentary (physical) evidence for each step in the flow of transactions within the school activity fund.
- 2) These procedures include:
  - a) Using pre-numbered forms and receipts
  - b) Using purchase orders
  - c) Issuing receipts and tickets
  - d) Depositing receipts intact
  - e) Making timely deposits.

Precautions must be taken to protect school activity fund money from loss and limit the liability of persons handling the money. Recommendations made by the school district auditor shall be implemented. Persons (#1), (#2), and (#3) cannot be the same person.

Below are examples of suggested segregation of duties.

### **Handling Receipts**

- 1) Clerk (#1)—could be a club treasurer or sponsor or other school staff
  - a) Opens the mail but does not open bank statements.
  - b) Records the checks by payee in chronological order.
  - c) Receives cash and writes pre-numbered receipt for cash to payee.
- 2) School Treasurer (#2)
  - a) Photocopies the checks. (Optional, but encouraged.)
  - b) Records receipts on a deposit ticket, listing each check separately by issuer name.
  - c) Records revenue in school accounting system to agree with the deposit tickets.
- 3) Principal (#3)
  - a) Reconciles the log produced by person #1 to the deposit ticket.
  - b) Deposits checks and cash.

### **PAYING BILLS**

- 1) Principal (#3)

Approves invoices (Not necessary if the principal approved the requisition or the purchase order).
- 2) School Treasurer (#2)
  - a) Enters invoices-Every invoice paid should contain
    - a) An invoice
    - b) Signed PO
    - c) A receipt of goods/packing slip initialed by the purchaser
    - d) Confirming receipt except recurring bills such as newspaper subscriptions.
  - b) Prints checks.
- 3) Clerk (#1)
  - a) Matches invoices to checks
  - b) Mails checks

## **Preparing Bank Reconciliation**

- 1) Principal (#3)
  - a) Opens bank statement
    - i. The checks may be fanned to scan signatures.
    - ii. Bank statement may be reviewed to find inconsistent check number or abnormal transaction amounts.
  - b) Compares chronological listing of receipts from School Treasurer (#2) to deposits on bank statement.
- 2) School Treasurer (#2)
  - a) Sorts checks in numerical order and clears them in school accounting system.
  - b) Reconciles bank statement to books using Form F-SA-15A.
- 3) Clerk (#1)

Reviews bank reconciliation.

## Appendix B - Fundraiser Types and Corresponding Forms Needed

Any activity used as a fundraiser **must** be approved and documented on Fundraiser Approval (F-SA-2A)

<b>Description of Fundraiser or Collection of Funds</b>	<b>*Form Required</b>	<b>**Additional Form Required</b>
Field Trip	Multiple Receipt Form F-SA-6	
Pictures	Multiple Receipt Form F-SA-6	
Trip Collections	Multiple Receipt Form F-SA-6	
Uniform/Shoe etc. Collections	Multiple Receipt Form F-SA-6	
Misc. Fee Collections	Multiple Receipt Form F-SA-6	
Checks for Fees (that come through the mail)	Multiple Receipt Form F-SA-6	
Library Fee Collections (Late/Lost Books)	Multiple Receipt Form F-SA-6	
Assembly (collected in classroom)	Multiple Receipt Form F-SA-6	
Yearbook Sales	Multiple Receipt Form F-SA-6	
Bookfair	Sales Collection Form F-SA-17	Fundraiser W/S F-SA-2B
Fundraiser Money Collected from Students	Multiple Receipt Form F-SA-6	Fundraiser W/S F-SA-2B
Collections for Specific Donations (i.e. Red Cross)	Multiple Receipt Form F-SA-6	Fundraiser W/S F-SA-2B
Penny War	Sales Collection Form F-SA-17	Fundraiser W/S F-SA-2B
Hat Day, Candy Grams, etc.	Multiple Receipt Form F-SA-6	Fundraiser W/S F-SA-2B
Fundraiser Checks (that come through the mail)	Multiple Receipt Form F-SA-6	Fundraiser W/S F-SA-2B
Sale of Purchased Merchandise	Sales Collection Form F-SA-17	Fundraiser W/S F-SA-2B
Sale of Donated Items	Sales Collection Form F-SA-17	Fundraiser W/S F-SA-2B
Fall Festivals	Report of Ticket Sales Form F-SA-1	Fundraiser W/S F-SA-2B
Prom/Dance (must be pre-numbered tickets)	Report of Ticket Sales Form F-SA-1	Fundraiser W/S F-SA-2B
Gate Receipts	Report of Ticket Sales Form F-SA-1	
Season Tickets (must be pre-numbered tickets)	Report of Ticket Sales Form F-SA-1	
Assembly (collected at the door)	Report of Ticket Sales Form F-SA-1	
Concession/Snack Sales	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
Pencil/Paper Machine	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
Green House Sales	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5

<b>Description of Fundraiser or Collection of Funds</b>	<b>*Form Required</b>	<b>**Additional Form Required</b>
School Store/Bookstore	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
Vending Machine Collections (not full service)	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
Program Sales (at ballgames)	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
T-Shirt/Clothing Sales (at ballgames)	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
Ice Cream, Slush Puppy, Popcorn Sales	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5

\*These Forms required at the time the money is collected

\*\*Fundraiser Worksheet Form F-SA-2B due at the completion of the fundraiser event

\*\*Inventory Control Worksheet F-SA-5 due monthly

## **Appendix C - External Support/Booster Organization Resources**

### **Life Cycle of a Public Charity**

*The following excerpts have been copied from the IRS website. The information documented below is subject to change by the IRS. Therefore, for the most up-to-date version of this information, please go to <http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Life-Cycle-of-a-Public-Charity>.*

Organizations that meet the requirements of Internal Revenue Code section 501(c)(3) are exempt from federal income tax as charitable organizations. In addition, contributions made to charitable organizations by individuals and corporations are deductible under Code section 170 (26 U.S.C. 170).

During its existence, a public charity has numerous interactions with the IRS – from filing an application for recognition of tax-exempt status, to filing the required annual information returns, to making changes in its mission and purpose. The IRS provides information, explanations, guides, forms and publications on all of these subjects – they are available through this IRS web site. The illustration below provides an easy-to-use way of linking to the documents most charities will need as they proceed through the phases of their “life cycle.”

The IRS web site includes examples of various documents found in the following sections.

#### **Starting Out**

- 1) Organizing Documents
  - a) Required Provisions
  - b) Sample Organizing Documents
  - c) Governance and related topics
- 2) Bylaws
  - State law requirements
- 3) Employer Identification Number
  - a) Application Form
  - b) Online EIN Application
- 4) Charitable Solicitation
  - a) Initial State Registration
  - b) Periodic State Reporting
  - c) State Charity Offices
- 5) Help from the IRS

#### **Applying to IRS**

- 1) Requirements for Exemption
- 2) Application Forms
  - a) Exemption Application
    - i) Group exemption
  - b) User Fee
  - c) Power of Attorney
  - d) Disclosure of Applications
- 3) IRS Processing

- a) While You Wait
  - b) Rulings and Determination Letters
- 4) Help from the IRS
- a) Application Process Step by Step
  - b) Customer Account Services
  - c) Publication 4220, *Applying for 501(c)(3) Tax-Exempt Status*
  - d) Publication 557, *Tax-Exempt Status for Your Organization*

### **Required Filings**

- 1) Annual Exempt Organization Return  
Requirements for Filing
- 2) e-File for Exempt Organizations  
e-Postcard for Small Exempt Organizations
- 3) Unrelated Business Income Tax
- a) Requirements for Filing
    - i. Form 990-T
    - ii. Form 990-T instructions
    - iii. Form 990-W
    - iv. Estimated Tax
  - b) Exceptions and Exclusions
  - c) Publication 598, *Tax on Unrelated Business Income for Exempt Organizations*
- 4) Help from the IRS
- a) Customer Account Services
  - b) Publication 4221-PC, *Compliance Guide for 501(c)(3) Public Charities*
  - c) Publication 557, *Tax-Exempt Status for Your Organization*

### **Ongoing Compliance**

- 1) Jeopardizing Exemption
- a) Inurement/Private Benefit
  - b) Intermediate Sanctions
  - c) Lobbying/Political Activity
  - d) Not Filing Annual Return or Notice
- 2) Employment Taxes
- a) Requirement to Pay
  - b) Exceptions and Exclusions
  - c) Worker Classification
  - d) Forms and Publications
- 3) Retirement Plan Compliance
- 4) Substantiation and Disclosure

#### Charitable Contributions

- a) Publication 1771, *Charitable Contributions Substantiation and Disclosure Requirements*
- b) Written acknowledgments

- c) Quid pro quo contributions
  - d) Charity auctions
- 5) Noncash Contributions
- a) Donor ( Form 8283)
  - b) Donee ( Form 8282)
  - c) Publication 561, *Determining the Value of Donated Property*
- 6) Public Disclosure Requirements
- 7) Help from the IRS
- a) Customer Account Services
  - b) Publication 4221-PC, *Compliance Guide for 501(c)(3) Public Charities*
  - c) Publication 557, *Tax-Exempt Status for Your Organization*

### **Significant Events**

- 1) Reporting Changes to IRS
- a) Termination of an Exempt Organization
- 1) Private Letter Rulings and Determination Letters
- 2) Audits of Exempt Organizations
- a) Potential Examination Consequences
  - b) Examination Procedures
  - c) Power of Attorney
- 3) Help from the IRS

*(This ends the information copied from the IRS website.)*

### **Record Retention**

Booster Clubs should establish a record file that is passed to the new officers each year. Some items need to be kept indefinitely while other items only need to be kept for a certain length of time. The record file should contain at least the following items on a permanent basis:

#### **Permanent Record**

- 1) Internal Records
- a) Booster Club Registration & Approval Form
  - b) Articles of Incorporation/Articles of Association
  - c) Bylaws/Charter/Constitution
  - d) Minutes from meetings
- 2) State Records
- a) Sales Tax Permit Application
  - b) Sales Tax Permit
  - c) Certificate of Incorporation from State of Kentucky (if applicable)
  - d) State Sales Tax Exemption Notification
  - e) State Franchise Tax Exemption Notification (if incorporated)

### **Federal Records**

- 1) Copy of IRS Form SS-4, Application for Employer Identification Number
- 2) Copy of IRS Form 1023, Application for Recognition of Exemption, with all attachments
- 3) Copy of IRS Form 8718, User Fee for Exempt Organization
- 4) Determination Letter Request, and copy of check sent to IRS with this form
- 5) Acknowledgement of Your Request
- 6) Determination Letter
- 7) Copy of IRS Form 8734, Support Schedule for Advance Ruling Period
- 8) IRS's notice granting a permanent exempt status to the organization, if applicable

According to the IRS, Booster Clubs must keep each annual information return (i.e., Form 990, Form 990-EZ, or Form 990-N) for 3 years from the date the form is required to be filed or from the date the form is actually filed, whichever is later. However, if fraud is suspected or if returns have not been filed as applicable, the IRS could request information prior to the 3-year period discussed above.

### **Non-permanent Records**

- 1) Internal Records
  - a) Financial Reports and Review Committee Reports
  - b) All financial backup including checkbook and banks records
  - c) Information related to contributions received by a Booster Club from individuals or businesses
  - d) Financial Aid Guidelines
- 2) State Records
  - a) Sales Tax Forms Filed
  - b) Copy of correspondence with the Kentucky Department of Revenue
- 3) Federal Records
  - a) Copy of IRS Forms 990, 990-EZ, or 990-N filed
  - b) Copy of correspondence with the IRS

**Before discarding any records, confirm with the Kentucky Department of Revenue and the IRS that your organization is in good-standing and that there are no open items or issues.**

## Appendix D - Recommended Report Review Procedures

The following includes recommendations for report review procedures and do not necessarily represent requirements of the Redbook.

### **Bank Statement Reconciliation** (used on the F-SA-15A):

#### Principal

- 1) Each month the bank statement shall be e-mailed directly (if electronically) to the principal or opened (if mailed or picked up) by the principal prior to the treasurer having access to it.
- 2) Review the bank statement, signing and dating the front page after review.
- 3) Review deposit dates and amounts (usually on the front page of bank statement).
  - a) Look at dates and amounts deposited (this will show deposit activity and will help make a determination if money is being held and not deposited timely).
  - b) Review photo images of deposit slips.
- 4) Look for checks deposited being line listed on deposit slips (each check must be line listed or photo copied).
  - a) Look to see if cash is being deposited.
  - b) Look at the date on deposit slips to see if it matches the date deposited.
- 5) Review photo images of checks.
  - a) Verify the “principal signature.”
  - b) Review payee (should not see checks written to vendors you do not recognize).
  - c) If any checks are questionable, review the supporting documentation for the check.
- 6) Familiarize yourself with other debits and credits.
  - a) Bank interest.
  - b) Returned checks – Insufficient Funds (NSF).
  - c) Adjustments to deposits.
  - d) Any fees listed.
- 7) After reviewing, sign and date the front page of the bank statement as required in step #2 and give the reviewed bank statement to the school treasurer for account reconciliation and financial report preparation.

#### School Treasurer

- 1) The school treasurer shall prepare the Monthly/Annual Financial Report (Form F-SA-15A) at the close of each month or as directed by local board policy.
- 2) The original shall be signed and reviewed for accuracy and reasonableness by the principal.
- 3) The Monthly/Annual Financial Report (Form F-SA-15A) shall be submitted to the finance officer and a copy retained in the school files.
- 4) Upon receipt of the monthly school activity fund checking account bank statement (after principal review), the statement balance is to be reconciled to the monthly report. The school treasurer should use the reconciliation section on Form F-SA-15A.

- a) Arrange the canceled checks in numerical order and determine outstanding checks including outstanding checks from prior months.
  - b) Arrange the deposit slips in chronological order and determine whether all deposits have been recorded accurately on the statement.
- 5) In the proper spaces in the reconciliation section, complete the following information:
- a) Beginning ledger balance (ending balance from the prior month's reconciliation).
  - b) Total monthly deposits (receipts) and disbursements (expenditures) (from the month-to-date columns of the journal or from the computer generated monthly detailed transaction summary).
  - c) Other reconciling items (record any transactions that the bank handled, but were not entered in school books; such as interest, returned checks, re-deposits, service charges, etc.).
  - d) Outstanding checks and deposits.
  - e) Ending balance (complete steps in reconciliation process).
- 6) Compare and reconcile the ending balance per the reconciliation with the ending balance stated by the bank.
- 7) All items returned by the bank should be filed with the checking account statement on which they appear.

## Monthly Reports

Several reports are filled out by the treasurer each month and will be submitted to the principal and then forwarded to the district finance officer.

### Review Procedures for the Reports Submitted to the District Finance Officer (steps for reviewing the reports)

- 1) Monthly/Annual Financial Report (Form F-SA-15A)
- a) Make sure report shows the bank reconciliation, if using software generated financial reports (original signed copy).
  - b) List of outstanding checks.
  - c) Complete copy of the bank statement (original stays at the school).
  - d) Verify "Outstanding Checks" entry on the Monthly/Annual Financial Report (Form F-SA-15A) to the list of outstanding checks report, the two totals should match.
  - e) List of outstanding checks.
    - i. The total amount of this list of outstanding checks should be reflected on the Monthly/Annual Financial Report (Form F-SA-15A).
    - ii. Write off any outstanding check with an issuance date older than one year (refer to district guidance).
  - f) This report should show adjustments for investments, interest, NSF checks, fees, or any other adjustments.
  - g) Verify each adjustment to the bank statement. If the matching entry is not found on the bank statement, then the bookkeeper should annotate on the Monthly/Annual Financial Report (Form F-SA-15A) why the adjusting entry was made.
  - h) Compare "Balance per Bank Statement" on the report to the month ending balance on the actual bank statement.
- 2) Accounts Receivable and Accounts Payable (Form F-SA-15B)
- a) For payables, this report should only list unpaid invoices dated on or before the end of the month.
  - b) For receivables, any reimbursements submitted to the district office not reimbursed, or commissions/credits from vendors earned but not received by the end of the month.
  - c) Open purchase orders where the product/service has not been provided/received are "not" account payables.

- 3) List of expenditures
  - a) Review to see if the school is purchasing from the appropriate vendors (refer to board policy).
  - b) Review to see if there are technology or fixed asset purchases that should have been purchased through the district central office.
  - c) Review to see if expenditures are being paid out of the appropriate activity account.
- 4) List of Receipts
  - a) Review concession, pencil machine, store/bookstore sales, etc.
    - i. Look at the amount of the receipt to see if there are patterns or consistent amounts receipted.
    - ii. Check the frequency of the receipts being written to see if money is being held and receipted in on a certain day or at the end of the week.
  - b) Randomly check receipt dates to deposit dates on the bank statement. This will also identify funds being held and not deposited timely.
- 5) List of journal adjustments.
- 6) List of activity account transfers. Make sure no student generated funds are being transferred into staff/faculty accounts.
- 7) List of 1099 payments (at the end of each calendar year) (annual only).
- 8) List of donations (at the end of each fiscal year) (annual only).
- 9) Look for deficit balances and resolve these before the end of the fiscal year.
- 10) Look for activity (receipts/expenses) in accounts that are active during the current month (i.e., sports accounts during the season, clubs currently conducting fundraisers). If there is no activity, then where is the money going?
- 11) Research any "Deposits in Transit" or "Other Adjustments". These entries need to be verified. This is one area that entries are made to "force balance."
- 12) Make sure if the school has any investment money (CD's) that they are accounted for on the Monthly/Annual Financial Report.