

SECTION 14 – CHARITABLE FUNDRAISING

OVERVIEW:

Charitable fundraising can be defined as an official, organized effort by student groups to raise money for donation to a specific group, individual or cause. (For example – to fund scholarships and student exchange programs, to assist relief efforts for victims of tragedies, and/or to fund community projects.)

Student fundraising for charitable purposes is permissible when specifically pre-approved by the building principal. If certain conditions are met, funds raised by students for charitable purposes will be considered “non-associated student body funds” (per RCW 28A.325.030) and are not public money under section 7, article VIII of the state constitution. If the conditions are not followed, the money becomes ASB public money and cannot be disbursed for private purposes such as scholarships, student exchanges or other charitable purposes.

Funds raised and disbursed under the heading of charitable fundraising are subject to district fundraising policies and procedures governing receipts and disbursements.

SUMMARY OF GUIDELINES FOR CHARITABLE FUNDRAISING:

- Must be handled through either the ASB Fund or the District Trust Fund.
- Must be segregated from other ASB public monies or Trust Fund monies by use of a unique, site-defined account code (For ASB – a “6000 series” set of account codes, or if by Trust – a unique code may be established as needed. Contact the Accounting Office for assistance.)
- Must have prior approval of building administration (school principal, primary and student advisors) as well as student approval.
- Must consider ASB budget capacity.
- Must be for a legitimate charitable organization or cause. (There are restrictions against having an individual as the direct beneficiary. Contact the Accounting Office for exceptions.)
- Must determine the name/address of the intended recipient in advance, and establish a timeline under which the fundraising activity will begin and end.
- Must give special prior notice with specific language required about intended recipients or beneficiaries, before any funds are collected.
- Collection, receipt, deposit and disbursement of the funds must follow the same internal controls and procedures in place for ASB funds/public funds.
- Disbursement to the intended recipient and/or other costs of the fundraiser shall be by warrant processed through the District Accounting Office (not by imprest check or other means.)
- The District (ASB or Trust Fund) must withhold an amount (or otherwise be compensated) for any of its direct costs incurred in handling the fundraiser.
- Public funds can not be used in support of the costs of conducting a private fundraiser for charitable purposes.
- As provided by RCW 28A.325.030, charitable purpose does not include any activity related to assisting a campaign for election of a person to office or for the promotion or opposition of a ballot proposition.

RESTRICTIONS ON DONATIONS:

By law, the General Fund can not make donations or gifts. All fundraising or collections made for charitable purposes must be handled through either the ASB Fund or the District's Trust Fund.

The ASB fund is allowed to make donations/gifts but only when they have raised the funds specifically for that purpose. The ASB can not donate money from their ASB all school account, or any other of their accounts, other than the one established specifically for the charitable fundraising activity.

Secondary level schools have two options for handling charitable fundraising:

- ASB Fund – uniquely defined "other charitable donations" 6000 series account.
- District Trust Fund - "other charitable donations" account.

Elementary Schools do not have ASB's and therefore, would need to use the District's Trust Fund for any charitable fundraising undertaken.

PRINCIPALS' AUTHORIZATION:

As with any activity or program undertaken at a school - any charitable fundraising must first have the approval of the principal or their designee. They are ultimately responsible for insuring that proper procedures are followed.

BUDGET CONSIDERATIONS:

While some of the charitable fundraising that occurs is planned for in the budget because it is routine or occurs each year at the school (i.e. Holiday Food Baskets) many times there are unforeseen or disastrous events that spur students to fundraise for a charitable cause.

ASB's will need to consider whether they have the budget capacity to support a planned charitable fund-drive. Donations handled through the ASB Fund, will ultimately require ASB expenditure capacity. In ASB, as in all funds of the district, revenues are necessary to support expenditures, but the statutory limitations apply to the expenditure budget as approved by the Board of Directors and submitted to OSPI. ASB are encouraged to build their budget each year to include budget capacity for unforeseen events where students want to fundraise. If your student body wants to undertake charitable fundraising activities, but DOES NOT have an adequate expenditure budget to do so, please contact the budget office.

If the charitable fund drive is handled through the District Trust Fund - budget capacity is not an issue. Revenues are collected, and disbursed to the appropriate benefiting agency per district processes, but without need for legal budget capacity other than availability of funds.

STUDENT INVOLVEMENT:

Where ASB is involved at the secondary level, and students work to raise these funds, the activity should go through the ASB Fund and must be approved by the student body. Your school's ASB student leadership group should indicate in their

meeting minutes or resolutions, their plans for this fundraising activity. Student leadership meeting minutes should also note how long they plan to work on collecting donations and which agency will be the recipient of the donations.

At the elementary school level student involvement must be voluntary and should not adversely affect the instructional program.

WHO IS BENEFITING - WHICH AGENCY?

Students should decide on the recipient of the donations BEFORE soliciting the funds. Supervisors should take reasonable steps to insure the proposed beneficiary is a legitimate charitable organization or cause. The chosen charitable agency should be contacted in advance of any fund-drive as many such agencies want to approve or authorize a drive on their behalf.

SETTING TIMELINES FOR THE CHARITABLE FUND-DRIVE:

At all levels whether elementary or secondary, it is important to decide in advance which exact agency will be benefited and a deadline under which the fund-drive will cease. This is so a proper accounting can be made for the amount to be disbursed.

GIVING NOTICE TO DONORS:

Prior to collecting any ASB private money, public notice must be given identifying the intended use of the proceeds. It should be clear to those donating - which organization will be receiving the donations and for what purpose. (i.e. the Red Cross to help victims of Hurricane Katrina)

The following language must be used to inform donors:

"Proceeds from this event will be donated to _____. Funds collected are private moneys and will be held in trust by the Everett Public School District exclusively for the specified purpose."

Ideas for giving proper notice include:

- Pre-printed cards given out at time of transaction/donation
- Printed pledge sheets that donors sign
- Printed posters advertising the event
- Printed signs posted in plain view or affixed to containers, where money is collected
- Printed pledge sheets that donors sign

COLLECTION, RECEIPT AND DEPOSIT OF THE MONEY:

Funds should be receipted using the District's automated Point of Sale (POS) receipting system and deposited to the designated District depository bank account. (Please do not run your funds through Coin-Star machines.) ASB Treasurer's will receipt and code funds using a 6000 series account code (or Trust Fund Account). Please contact the Accounting Office in advance regarding the appropriate account code to use for your planned fund-drive. A minimal amount of set-up may be required in the POS if your code has not already been established.

ISSUING A WARRANT TO THE RECIPIENT AGENCY:

At the conclusion of the fund drive, schools should prepare a formal written letter on school letterhead, requesting a warrant for the amount of funds collected. The district Accounting Office will issue a lump sum warrant out of your school's ASB fund or District Trust Fund, equal to the total collected.

The letter should include:

- 1) A brief description of the fundraising purpose/intent
- 2) The name and address of the agency for whom the funds were raised
- 3) The dollar amount of the warrant (should correspond to the net amount collected)
- 4) The account code (for ASB a 6000 series account or for Trust Fund - the unique code established)

The letter should be approved by:

- If through the ASB Fund - establish a PO in the IFAS system for an estimated amount. At the conclusion of the fund-drive, receive on-line for the actual amount to be disbursed. Send the letter, as described above, to Accounting. All the appropriate approvals of the student leadership groups as well as the primary advisor, activity advisor and ASB Treasurer will be accomplished through the PO request and the on-line PO in IFAS.
- If by the Trust Fund - PO's are not an option for capturing the approvals. If an ASB has run their fund-drive through the Trust Fund - the letter must be approved/signed by the appropriate ASB student leadership groups as well as primary advisor, activity advisor, and the ASB treasurer. If at an elementary school, the letter should be signed and approved by the building principal at a minimum.

Some schools may also wish to send a separate letter to the agency along with the donation warrant. We're happy to mail your schools' letter along with the donation warrant if you should direct us to do so.

DIRECT COSTS:

Charitable fundraising is a private activity and district or ASB funds cannot be used to offset, front-fund or pre-pay expenses. All expenses including start up costs, must be paid from the proceeds by issuance of a warrant from the fundraising account, or by donation. Reimbursements following the event may also be allowable if the proceeds are sufficient to cover the amount. All reimbursements must be processed by issuance of a warrant from the fundraising account within the timeline identified for carrying out the fund-drive. The district or ASB Fund shall withhold an amount (or otherwise be compensated for the direct cost of its services when appropriate.

IN CONCLUSION:

Please contact the Accounting Office if you have questions about a charitable fundraising activity. We are available to assist you and your students with guidance as they work towards their fundraising goals.

SAMPLE CHARITABLE FUNDRAISING CHECK LIST

Prior to Event

- ☐ Decide who will handle finances/sponsorship (PTA, booster vs. school?). [If sponsored by an organization other than the school, these procedures may not apply. See School Support Organizations Handout.]
- ☐ Complete a fundraising request form identifying the following:
 - o Type of fundraiser.
 - o Intended beneficiary (include, name, address and who warrant request/PO request should be made out to).
 - o Start and stop dates for the event.
- ☐ If it is a school event, get pre-approval in writing from the:
 - o Principal
 - o Student officer(s)
 - o Advisor/Coach
 - o ASB Treasurer
- ☐ Verify that the proposed beneficiary is a legitimate charitable organization or cause.
- ☐ Identify equipment, materials, facility needs and estimate costs.
- ☐ Arrange for payment of expenses by donation, delayed billing, or purchase by private individual(s) with possible reimbursement after the event has been completed and reconciled. [*Remember: Charitable fundraising is a private activity and district (public) funds can't be used to offset, front-fund, or pre-pay expenses – including start-up costs.*]
- ☐ Obtain/design appropriate fundraising record keeping forms to document details of the event. Pre-approved official district receipt forms are required.
- ☐ Determine how "notice" will be given.

During Event

- ☐ Follow district procedures regarding daily cash receipting, inventory control, safeguarding of assets, pre-numbered tickets, giving notice to prospective customers, etc.
- ☐ Use record keeping forms to document sales or collections.
- ☐ Transfer money to the Treasurer's Office the same day that students bring it to school.
- ☐ Deposit money intact to district account (either a trust fund or separate account in the ASB 6XXX series)

After Event

- ☐ Reconcile actual revenue to receipts/sales log
- ☐ Complete a final reconciliation of the event.
- ☐ Complete a profit/loss analysis. (Included in Sample Fundraising Activity Form – Part B)
- ☐ Process payment for administrative costs (i.e. custodial time, facility fees, etc.)
- ☐ Submit reimbursement request(s) for expenses (not to exceed revenue collected.)
- ☐ Advisor and student officer(s) sign and submit all completed forms to Treasurer.
- ☐ Treasurer reviews forms for accuracy and resolves discrepancies with advisor.
- ☐ Treasurer and Primary Advisor or Principal sign part C of fundraising activity form to approve reconciliation.
- ☐ Check/Warrant request for the charity is submitted in the amount of remaining account balance.
- ☐ Documents are filed at the school for audit purposes.

.....

LANGUAGE FOR GIVING NOTICE TO PROSPECTIVE CUSTOMERS:

"Proceeds from this event will be donated to _____. Funds collected are non-associated student body private moneys and will be held in trust by the _____ School District exclusively for the specified purpose."

.....

IDEAS FOR GIVING NOTICE:

- ☆ Pre-printed cards given out at time of transaction/donation
- ☆ Printed pledge sheets that donors sign
- ☆ Printed posters advertising the event
- ☆ Printed signs posted in plain view or affixed to containers, where money is collected
- ☆ Printed pledge sheets that donors sign

SAMPLE FUNDRAISING REQUEST & ACTIVITY FORM

A. Request for Pre-Approval of Fundraiser

School: _____ Activity: _____ Account#: _____

Name of Fundraising Activity: _____

Description/Purpose: _____

Is the fundraiser for the benefit of an organization outside of the district?
Yes? No? (Circle One) If yes, please include the name, address and
phone number of the organization.

Dates of Fundraiser: Beginning: _____ Ending: _____

Team/Club Leader (student): _____ Date: _____
(signature)

Coach/Club Advisor (staff): _____ Date: _____
(signature)

Treasurer/Cashier (staff): _____ Date: _____
(signature)

Principal's Pre-Approval: _____ Date: _____
(signature)

C. Final Approval of Reconciliation

I hereby certify that the accounting information submitted is
complete and accurate:

Team/Club Leader (student): _____ Date: _____
(signature)

Coach/Club Advisor (staff): _____ Date: _____
(signature)

Treasurer/Cashier (staff): _____ Date: _____
(signature)

Principal's Approval: _____ Date: _____
(signature)

B. Accounting Summary of Fundraiser

1. Total Actual Revenue Received \$ _____

2. Total Cost of Goods Sold (your cost for items:

\$ _____

3. Other Expenses (decorations, supplies, etc.)

\$ _____

4. Total Expenditures

\$ _____
(line 2 plus line 3)

5. Net Profit (Loss)

\$ _____
(line 1 less line 4)