



**Accounting Office**

**(425) 339-4671**

**TO: ASB Treasurers  
ASB Directors/Primary Advisors**

**FR: Gina Zeutenhorst, Accounting Manager  
Phone number: (425) 339 – 4653 Fax number: (425) 339 - 4324**

**DA: Monday, January 10, 2000**

**RE: Fundraising Activities/New Sales Tax Regulations**

In December 1999, the Department of Revenue issued Excise Tax Advisory 2004.04/08.167 on Fundraising Activities of Public Schools and Associated Student Body Groups. The advisory's tax interpretation results in savings for some specific ASB fund-raising purchases.

Effective immediately, all periodic fundraising activities conducted by qualified non-profit organizations, that do not constitute the operation of a regular place of business (ie. Book store, thrift shop, restaurant, student store, concessions, etc.), are exempt from paying sales tax. In short, this means when you purchase goods for re-sale in an ASB fundraising activity, you no longer have to pay sales tax on those purchases.

Please be aware, this only applies to items you are purchasing for resale in an ASB fundraiser. It does not apply to other ASB purchases such as incidental supplies, uniforms, instruments, sports equipment, etc. In addition, it is important to understand the exemption from sales tax is limited to those purchases the ASB makes in its own name. The exemption does not apply if the ASB group makes a purchase as an agent for a third party. The fundraising exemption does not extend to purchases or sales made on behalf of non-qualifying organizations.

Directions for completing the Resale Certificate for a tax exempt ASB fund-raiser are as follows:

- 1) Prepare an ASB purchase order for the items you want to sell in your fundraising activity. Clearly indicate on the purchase order, "FUNDRAISING ACTIVITY – EXEMPT FROM SALES TAX".
- 2) On a copy of the attached "Resale Certificate":
  - Complete line 1 – The seller's name is the company you are going to buy goods from;
  - Complete line 2 – Your school's name
  - Complete line 6 – Description of the items you are going to sell during the fundraiser;
  - Check the appropriate certification box (*for resale during a tax exempt fund-raising activity*)
  - Print the name of the administrator who signs the purchase order;
  - Have the administrator sign and date the resale certificate.
- 3) Send the Purchase Order along with a copy of the resale certificate to the vendor.
- 4) Attach a copy of the resale certificate to the yellow copy of the Purchase Order, and forward to the Accounting Department.
- 5) When the invoice arrives, review to ensure the vendor did not charge Washington State sales tax.

*Please make copies of the attached resale certificate so that you will have an adequate supply on hand.*