

SCHOOL-RELATED FUND-  
RAISING ACTIVITIES

Fundraisers are held to raise funds for the benefit of the student body or an individual student group and are governed by policy FJ (Local). Fundraising activities are not confined to the regular school hours, but are considered an extension of the school program. When fundraising activities are in the name of the school, all funds raised become school funds belonging to the school-sponsored group responsible for raising the money.

In order to provide administrative control over the extensive fundraising activities promoted by the various school organizations, the Fundraising Application and Financial Recap must be used. The application section of the form provides detailed information concerning the fundraiser, which will assist the Principal and Assistant Superintendents in evaluating the request. The fundraisers financial recap confirms the results of the sale and allows for the evaluation of the activity by the Sponsor, Principal, Activity Accountant, and Internal Auditor.

FUNDRAISING  
GUIDELINES

The District recognizes the importance and value of a positive fundraiser program. In order to provide assistance and protection to students, campuses or organization, the following guidelines are intended to address a few of the issues. As your campus or organization prepares to conduct a fundraiser, please use these guidelines to assist in planning.

- The Principal, Department of Financial Services' Staff Accountant, and Assistant Superintendent must approve all fundraising projects prior to starting the activity. Secondary schools may also require approval from the Student Activities Coordinator.
- Each school organization is allowed to hold up to three (3) approved fundraising projects exceptions will be considered on a case by case basis. The sponsor must recap and collect all outstanding debts for the previous fundraiser prior to submitting the request for a subsequent fundraiser.
- The District prohibits door-to-door community solicitation by elementary or middle school students unless accompanied by a parent. High School students, with approved parent permission, may engage in door-to-door solicitation.
- Campus/students.

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- The District requires a profit margin of 45% or profit margins under 45% require Cabinet approval.
- All money generated through fundraising activities must be turned into the campus business office daily for deposit. The campus business office will verify the funds received and issue the cash receipt. At no time, should a sponsor purchase items directly with money collected or use the cash collected to pay the vendor. All payments must be made by a school check issued by the business office in accordance with established policies and procedures.
- Fundraising activities are conducted based on the need for funds to procure goods and services not normally provided for in the District's budget. Budgeted funds are allocated with the intent to make the best use of public funds, and campus fundraising activities should supplement, not supplant, this process.
- Programs or activities which provide wholesome recreational and/or education opportunities for students are to be encouraged and emphasized.
- Establish reasonable goals so that the activities do not put undue financial pressure on students or the community.
- Interruptions to the educational learning process of students during the school day are not permitted.
- Students may not be required to participate in a fundraising program, sell a certain amount, or make a donation in lieu of fundraising.
- All funds raised by student organizations must be expended for the benefit of the students and for the purpose stated on the fundraising application.
- Schools must comply with the USDA's competitive food standards when selling food items and drinks during the school day as defined. The Department of Child Nutrition Services has provided each campus with a copy of the Smart Snack Decision Tree used to determine the time and place

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restrictions for elementary schools, prek-8, middle schools, and high schools.

- Use of school cafeteria equipment requires approval from the Director of Child Nutrition Services.
- The District reserves the right to stop payments being made on all fundraising activities in which the sponsor/vendor neglected to follow district policy.
- The District will not be liable for any unapproved fundraising activities.
- The District will remove vendors from the "Approved List" for non-compliance with District policy.
- The District requires written explanation for large and or unusual variances.

THE DISTRICT'S  
RIGHTS

APPLICATION

A fundraising application (Exhibit A) is required for any activity involving the selling or soliciting of funds by students and staff. This requirement also applies when using internet websites to solicit donations or to sell items. The fundraising application is also required for not for profit activities. The District also requires fundraising applications for contracted service agreements with vendors or individuals charging fees for their services. The fundraising application must be completed and approved before starting the activity. Submit the fundraising application at least one month before the start of the activity. The approval process starts with the Principal who has the right to deny the activity. Once approved by the Principal, the application is forwarded to the District Services Center for approvals by the Department of Financial Services' Staff Accountant, and Assistant Superintendent of Instruction. The approved copy must be received back from the District Service Center before any fundraising commitments can be made.

APPROVED FUND-RAISER  
VENDORS

The approved fundraising vendors can be found on the Purchasing Departments website under the tab Fundraising Vendors List. The Department of Purchasing will update the list each year. Only the vendors on the Fundraising Vendor List may be used, for on-site activities. Off-site vendors are handled by Partners In Education. All vendors prior to visiting a campus must receive proper authorization from the Purchasing Department. Campuses are prohibited from using vendors that are not approved. A "Request for

Permission to Visit Campus” must be filled out and approved by the Purchasing Department. All approved vendors shall have undergone a criminal background check and have been approved by the Purchasing Department prior to receiving a campus pass.

RAFFLES/GAMBLING

School districts are not qualified to hold charitable raffles under the Charitable Raffle Enabling Act (CREA) - Section 2002 Occupations Code.

- Attorney General Opinion JM-1176 (1990)
- SISD Board Policy: FJ (Legal)

The definition of a raffle is “the award of one or more prizes by chance at a single occasion among a pool or group of persons who have paid or promised a thing of value for a ticket that represents a chance to win a prize.”

Gambling games, such as bingo, are not allowed.

SPONSOR’S  
RESPONSIBILITY

The sponsor is fiscally responsible for all facets of the fundraising activity. He/she may be held liable for all unapproved fundraising activities and for any shortages identified, if District policy has not been followed. These responsibilities include, but may not be limited to:

1. Planning the activity with club members.
2. Selecting the vendor, from the list of approved fundraising vendors. During this step, the sponsor should ensure that he/she understands the vendor’s program such as freight charges and return policy. The District does not encourage sponsors to work with vendors who lack a return policy or have a very restrictive return policy. Please refer such questions to the Department of Finance.
3. Scheduling the activity with the Student Activity Coordinator at the high school.
4. Properly completing the Fundraising Application. The application must be approved before entering into any agreement and/or receiving products from a vendor. The sponsor, not the District, will be liable for products delivered and amounts due if the sponsor fails to obtain prior approval.
5. In order to minimize the risk of having excessive merchandise left on hand and the school losing

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profit, it is recommended that organizations consider taking pre-orders when appropriate.

6. Recap monthly the fundraising activities approved for the whole year. Forward a copy of the recap to the Financial Services Department's staff accountant.
7. The District requires sponsors to issue cash receipts when collecting money from students, parents, and staff. The sponsor will use a pre-numbered three-copy cash receipt book, original issued to payee, second copy given to business agent when depositing, and third kept in the receipt book. The cash receipts must be issued in date and number order, and the amount deposited must match the total from the cash receipts. The sponsor must account for all cash receipts issued, and for the depositing of all money collected. The business office will keep a record of the cash receipt books issued to the sponsors. Do not discard the cash receipt books.
8. Complete the fundraising recap within 45 days from the end of the activity. The sponsors must keep detailed supporting documentation on the fundraising activities for a period of 7 years. The documentation may include perpetual inventories, sales/cost reports, fee/payment ledgers, delinquent fee list, unsold products counts, and itemized invoices. The objective is to maintain adequate supporting documentation on the source of all funds received, expenditures made, and remaining products on hand.
9. When a theft occurs, notify the campus administrator, SISD Police Services, Internal Auditor, Chief Financial Officer, and activity accountant.

RECEIVING CASH

All SISD employees who handle cash are required to keep adequate records to identify the source and purpose of the cash. Sponsors are required to issue cash receipts for all money received. Cash received during a fundraiser or for any other purpose must be turned in to the business office daily. When large amounts are collected during the day, the sponsor should deposit as often as necessary to avoid accumulating large amounts. Deposit all cash received

during the fundraiser. When additional inventory is purchased during the fundraiser, the sponsor must request a check.

#### SUMMARY REPORTS

Sponsors involved in fundraising activities and sales have an obligation to account for all of the funds collected or that should have been collected. Merchandise purchased or otherwise acquired for resale—whether it is candy, snacks, tickets, etc.—must be controlled and properly accounted for. The Inventory Sales (Exhibit B) Report provides a record of purchases and sales. The Inventory Sales Report should be used to account for fundraisers involving sales of multiple items such as concession sales.

#### FUNDRAISING RECAP

The sponsor is responsible for completing the Fundraising Financial Recap (Exhibit A) within 45 days from the activities ending date. The Fundraising Financial Recap captures pertinent financial data, which is used to reconcile/account for the fundraising activity and calculate profit/loss.

The financial recap is completed as follows:

1. The sponsor requests from the business agent/secretary a detailed general ledger listing of all transactions.
2. The sponsor determines the profitability of the activity based on the deposits and expenditures listed on the ledger. Due to the number of transactions listed on the ledger, the sponsor must either highlight or circle the transactions on the ledger. The sponsor completes the Fundraising Recap Form
  - (a) Total Revenue (deposits)
  - (b) Total Expenditures
  - (c) Determine Profit/Loss by subtracting expenditures from revenues
  - (d) Determine Percent Profit earned by dividing profit by revenues
  - (e) Compare actual profit earned to vendor's stated amount.
  - (f) Reconcile the difference by providing documenting for:
    - Delinquent amounts (name, grade, and amounts)
    - Product outstanding
    - Damages/obsolete products
  - (g) The sponsor is required to account for all unsold products at the end of the activity,

and to specify how the items were disposed of or used. The objective is to ensure that the documentation provided accounts for the variance between projected and actual profit earned.

- (h) Sponsor's responsibility at year end is to update the financial recap and delinquent list based on additional sales, and to specify the usage of the remaining unsold products. Check the box on the form, if the recap is an update from a previous one. Disregard this box, if this is the first recap submitted.
- 4 New fundraising activities will not receive approval until all prior activities are closed.

**EQUIPMENT & MATERIALS** In accordance with the procedures set forth in TEA's Financial Accountability System Resource Guide, all equipment and materials which are purchased with fundraising proceeds become the property of the Socorro Independent School District and not the sponsoring organization. The Financial Services Department should be contacted, so that any equipment received may be properly tagged and entered into the District's fixed asset records.

**FACILITY USE FEES FOR FUNDRAISERS** When a facility is used for a fundraiser on a non-school day, the campus administrator will be responsible for submitting a "Request to Use School Facilities" and pay any fees incurred with the use of the building.

**SALES TAX** Public schools are exempt from paying the State Sales and Use Tax when purchasing items used in providing education. The school should provide a vendor with a Texas Sales Tax Exemption Certificate, if it is requested.

Purchases made by individuals for their own use are not tax exempt even though they are related to the school or a school function. For example, cheerleader uniforms, and school shirts that become personal property of students or staff members are not exempt from sales tax.

**TWO ONE-DAY TAX FREE SALES** Each school in the District and each organization within that school, are allowed to have two one-day tax-free sales during a calendar year. A one-day tax-free sale means that collection and remittance of state sales taxes is not required on qualified sales on that day. The time limit for the two one-day tax-free sales is a calendar year, January 1 through December 31, rather than the school year. The tax-free

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status of a one-day tax-free fundraiser must be designated on the application.

OTHER FUNDRAISING  
ACTIVITIES:

Principals are responsible for monitoring fundraising activities of outside agencies, such as Parent-Teacher organizations and booster clubs. Each activity should be evaluated to determine the appropriateness of the type of fundraiser, the amount to be raised, and the purpose. It should also be verified that proceeds will not be used for any purpose that might violate UIL rules. Annually, booster clubs will submit a recap of fundraisers as well as financial reports with detail of expenditures to the principal.

DONATED GIFTS FROM  
THE PUBLIC

The Superintendent or designee may accept any gift of \$25,000 or less on behalf of the District. All donations/gifts from an organization or private individuals become the property of the District and are governed by this regulation. A Donation Approval Form (Exhibit C) must be completed and submitted to the Department of Financial Services for processing. The form must include the donor's name, address, description of the item(s) donated, and estimated value, and any specific instructions regarding the use of the donation.

CRITERIA FOR  
ACCEPTANCE

The Superintendent or designee shall examine and evaluate offers of gifts to the District and is authorized to accept them when the gifts:

1. have purposes consistent with those of the District;
2. place no restriction on the school program;
3. do not require the endorsement of a product or business enterprise;
4. do not conflict with policies or actions of the Board or public law, and/or
5. do not require extensive District maintenance.

Board action shall be required on monetary gifts in excess of \$25,000, and also for gifts, donations, or bequests of interest in real property.

DONATIONS OF  
EQUIPMENT

District policy requires that donated equipment be delivered to the warehouse so that the asset(s) maybe tagged and entered into the fixed asset system. If the equipment is delivered to the campus or department, notify the warehouse. They will schedule an appointment to tag the item(s) and complete the paperwork required by the Department of Financial Services.



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Furniture & Fixtures      Director of District Operations

Computer Equipment      Director of Technology Services

ACCOUNTABILITY OF GIFT  
BEQUEST

The Department of Financial Services will prepare an annual listing of donations for acceptance by the Board of Trustees.

SOLICIATIONS OF  
DONATIONS

Administrative approval must be granted by the appropriate Assistant Superintendent, for schools and its club organizations, to solicit donations from the community. All requests involving clubs or school organizations can be made through a fundraising application. The donations must benefit all of the members of the student organization equally, and have an educational purpose, and should not be allocated according to participation to individual members. Under no circumstances can District employees, students, clubs, or student organizations, request donations on behalf of Socorro Independent School District, without administrative approval.

FOR OUTSIDE  
ORGANIZATIONS  
(STUDENT OR  
EMPLOYEE)

Student's participation shall be on a strictly volunteer basis and shall not disrupt the regular school day. An approved fundraising application must be on file before starting the activity. Students shall be permitted to participate in fund drives (i.e., canned food, clothes, toys) for non-school charitable organizations, nonprofit entities, or relief efforts related to natural disasters (i.e., hurricanes, tornadoes, tsunamis, etc.) with the approval of the Principal and the Assistant Superintendent of Instruction. The fundraising activity must clearly stipulate that the student organization and not the school or district is sponsoring the event.

SERVICE PROJECT

An approved fundraising application must be on file before starting the activity. A service project is a service activity held for the purpose of raising funds for a specific nonprofit organization. All proceeds earned shall be donated to the organization for which the activity was conducted. The service project shall not affect the district financially or cause additional work for staff.

CROWD FUNDING

A fundraising application is required when using an online non-profit organization to fundraise. The fundraising application must be approved before starting the activity.

All crowd funding applications must support instructionally based campus-wide initiatives and are generally limited to

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acquire campus supplies. Exceptions will be reviewed on a case by case basis upon review of the fundraising application.

All crowd funding fundraising applications submitted for approval must include a copy of the exact information that will be posted on the website, the purpose of the request, and a listing of the items requested. The organization must be on the Department of Financial Services list of approved fundraising vendors, or in the process thereof, and adhere to the regulations of the accounting manual.

Any assets derived from crowd funding will become property of the school district.

OUTSIDE ORGANIZATIONS

No outside organizations of any sort may solicit contributions of any type from students within the schools. Drives for funds or materials for any purpose from students in the District are prohibited. The department or campus administrator must request permission in writing from the appropriate Assistant Superintendent for an outside organization to solicit donations from students within the schools.

LOSS OF CLASS TIME

The collection of monies that takes the time of the students or teachers during school hours is strictly forbidden, unless the monies collected represent authorized fees.

Approved:  
Jose Espinoza, Ed. D. Superintendent  
May 3, 2017

Board Committee Review:  
May, 10, 2017