

Fundraising Guidelines and Procedures

A fundraising activity is defined as any activity involving the participation of a student body or a school-recognized student group undertaken for the purpose of deriving funds for a school or a school-sponsored group.

Fundraisers provide resources for campuses and student groups that do not exist within their budgeted allocations. However, when too many fundraisers are being conducted at the same time or over the course of a school year, results may be limited. In order to lessen the burden on the community and to ensure fundraising activities are successful, the following guidelines have been set for conducting fundraisers. **These guidelines apply to ALL fundraisers.**

- Fundraising activities in the name of the school occur when students from a club or the student body as a whole are actually the sellers of fundraising merchandise or services. For example, if the cheerleaders are the actual sellers of cookie dough, then this fundraiser is a fundraising activity in the name of the school. At the elementary level, if every student on the campus receives an order form to sell merchandise, this type of fundraiser is also classified as a fundraising activity in the name of the school. The TEA Financial Accountability System Resource Guide Section 5.5.6 states “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.”
- During fundraising activities where students are selling the merchandise, school district personnel are responsible for collecting these funds from the students to hold in a trustee capacity and expending these funds in accordance with federal and state laws, school board policies, and district regulations and procedures. The TEA Financial Accountability System Resource Guide Section 5.5 states “All funds collected by school district personnel from students are defined as activity funds and must be handled through the activity funds accounts.”
- PTO/Booster Club fundraisers are defined as fundraising sales/events where the PTO/Booster Club **parents are the sellers** of fundraising merchandise or **actively participate** in the fundraising event. Examples of such fundraisers include sock hops, carnivals, t-shirts, school supply sales, mat sales, concession sales, silent auctions, etc. Funds raised from such fundraisers belong to the PTO/Booster Club responsible for raising these funds and **must be deposited into a PTO/Booster Club bank account**. The PTO/Booster Club can then make a donation to the campus or student group from the fundraiser profit. On campuses where all parents are members of a PTO, if every child on campus receives an order form to sell merchandise, this is still classified as a fundraising activity in the name of the school, and as such, all funds collected from that fundraiser must be deposited into the Campus Activity Fund of that school.
- School districts are **NOT** qualified to hold **raffles, bingo, or other games of chance** as fundraisers according to Texas Attorney General Opinion JM-1176 (1990) which states in its summary that “Independent school districts are not qualified to hold charitable raffles under the Charitable Raffle Enabling Act, article 179f, V.T.C.S.”
- Fundraising activities are not confined to regular school hours. However, they are considered an extension of the school program.
- Fundraising activities should contribute to the educational experience of students, and shall not interfere with the instructional program or time.
- Students cannot be required to participate in fundraisers and cannot be required to raise a certain amount or sell a certain number of items. All money raised must be used to benefit all students of the group or school.

- The campus should not have a fundraiser for the sole purpose of accumulating funds in their activity account. Fundraisers should be conducted to fund a specific purpose.
 - The proceeds raised must then be used for the specific cause/purpose. For example, if a car wash is held to fund a field trip, then the funds must be used for the field trip.
- Fundraisers benefiting charitable organizations such as the Third Grade Entrepreneur Projects use Fund 877 in the Campus Activity bank account. ALL net proceeds must be distributed to the charitable organization out of this account. Be sure to exclude sales tax paid to the state the following month for taxable sales.
- NO PayPal or GoFundMe ACCOUNTS ARE ALLOWED.
- This district currently uses RevTrak for collecting debit/credit card payments.
- Crowd fundraising services may be used to support **instructional-based campus-wide** initiatives. At this time, **DonorsChoose** is the only option that can be utilized by PfISD campuses/departments. These fundraisers must be preapproved and overseen by the campus principal/department director, but do NOT required the use of the Activity Fund Collection Pre-Approval & Record form.

ACTIVITY FUND COLLECTION PRE-APPROVAL & RECORD

- The campus principal must approve all fundraisers. A fundraising activity CANNOT be implemented until the principal approves the fundraiser. Athletics fundraisers must also be approved by the Athletic Director.
- Fundraisers, excluding crowd fundraisers, must be submitted for pre-approval using the Activity Fund Collection Pre-Approval & Record form. The top section of the form is used for pre-approval. All items must be completed.
- **The following items must be selected from drop-down menus** in order for the Fund and Campus Activity Revenue Code to auto-populate:
 - Campus/Department
 - Activity Type (Campus Activity, Charitable (Fund 877), or Student Activity)
 - Campus Activity Group – OR – Student Activity Group (**choose only one group**)
 - Type of funds to be collected (even if is NOT considered a fundraiser)

Requirements for sales and how to document the funds collected can be found in the Texas Sales and Use Tax (for Sales vs. Non-Sales, Taxable Sales vs. Non-Taxable Sales, and Tax-Free Sale Days) and Deposits (Deposit Documentation Requirements) sections of the PfISD Financial Information Resource Manual.

- Upon approval, a **COPY** of the Activity Fund Collection Pre-Approval & Record form **must be SENT TO FINANCE**.
- Any deposits received for the fundraiser **without** ALL of the information completed and approved in the top portion of this form will **NOT** be posted in Focus until completed which **will delay the budgeting of these funds for use**.
- The deposits and payments for the fundraiser must be documented in the middle section of the form in order to calculate the NET PROFIT.

- All expenses associated with a fundraiser including, but not limited to, supplies and custodial services must be paid out of the activity funds collected for the fundraising event.
- The fundraiser proceeds must never be overspent thereby causing the activity fund to have insufficient funds.
- **NO CASH** prizes can be awarded for any fundraiser. This includes small cash incentives. (See Staff and Student Incentives and Awards for more information on allowable and prohibited uses of Activity Funds.)
- **PAYMENT SHOULD NEVER BE MADE FOR ANY EXPENSE USING UNDEPOSITED FUNDS.**
- The reconciliation section at the bottom of the form must be completed to reconcile the deposit total with the vendor sales summary (for vendor sales) or reconcile the inventory of items sold. Any differences must be explained.
- The **ORIGINAL FINAL** completed form must be signed and **SENT TO FINANCE** within two weeks of completion of the fundraiser. Original forms for Student Activity fundraisers are kept at the campus.

SPONSOR RESPONSIBILITIES

- Sponsors should take care to select a reputable company for fundraisers. In addition, the sponsor should maintain a good relationship with district vendors by submitting invoices for payment in a timely manner.
- Sponsors must submit purchase orders for items purchased to resell **BEFORE** the items are ordered from the vendor.
- Sponsors must keep control of the merchandise and money. Both should be secured at all times.
- Sponsors should keep accurate records of purchased items and funds received, collect all money due to the activity account, and keep a detailed list of any amounts due from students or others. If obligations are not paid, the sponsor should work with the bookkeeper (and principal if necessary) to track and follow up on these obligations.
- Sponsors must complete and submit a deposit form with the required supporting deposit documentation along with all funds collected for the fundraiser in a timely manner in accordance with the district's deposit procedures.