
Fundraising

Introduction

The following procedures for fundraising are necessary to ensure accounting controls in accordance with Generally Accepted Accounting Principles and a good internal control system.

Advisors and staff should be trained on fundraising procedures prior to any fundraising activities taking place.

[See Fundraising/Activity Forms](#)

Procedures

A. Procedures Prior to Sale

1. The fundraiser must be a type approved by the School Board. The student government, according to the constitution, and the school principal, or designee must approve all fundraising. Complete a fundraiser intent form and check with the district office about their notification requirements for fundraisers.
2. If the fundraiser is done on a “one time” or “periodic” basis, the fundraiser may be exempt from WA State Sales Tax.
 - a. Most items are subject to WA State Sales Tax, but if your fundraiser qualifies under the above conditions, you do not have to pay or collect sales tax.
 - b. Many districts sell the yearbook as an ASB fundraiser and this is done on a “periodic” basis. “Periodic” basis hasn’t been defined, but usually the sales are only open about 3 times for a short period of time during the school year. This is decided along District policies and procedures.
 - c. A copy of the WA State Resale Certificate needs to be sent to the vendor to be exempt from WA State Sales Tax. The District Business Office has the original certificate.

- d. Always check with your Business Office regarding “one time” or “periodic” fundraisers to make sure your fundraiser qualifies.
3. Put the fundraiser on the master calendar. A timetable shall be established for the starting and ending dates of the fundraiser, preferably no longer than 2 weeks. Depending on the type of event, a shorter time frame may be more appropriate and successful.
4. A selling price shall be established for the merchandise.
5. A district approved purchasing method shall be issued to the vendor.
 - A written agreement should be made with the vendor to ensure that unsold merchandise can be returned for credit. If merchandise cannot be returned, have a plan in place for leftover merchandise.
 - Consideration should be given to whether or not bid laws apply.
6. At the time merchandise is received from the vendor it shall be counted, signed for, and secured until it is checked out to the students.
7. The students shall be informed that they are responsible for all merchandise checked out to them. A parent approval letter is recommended. ([See Parent Permission For Fundraiser Form](#))
 - The board should adopt a policy that students who do not return the unsold merchandise or cash received from sale of the merchandise will be assessed a fine.
 - This fine should be equivalent to the retail value of the merchandise.

B. Procedures During The Sale

- All merchandise should be stored in a secure area throughout the sale. The club advisor or designee should be responsible for securing the merchandise and for checking all merchandise in and out.
- It is recommended that records be kept for individual students for accountability. ([See Inventory Checkout Sheet](#))
 - Students must sign a checkout log each time he/she receives merchandise.
 - Students must sign the checkout log each time he/she turns in money for merchandise sold. ([See Inventory Checkout Sheet](#))

- Money is to be turned into the ASB bookkeeper each day from the students. If collected by a staff member, a collection log must accompany the funds for deposit. (See Ticket Seller Report)
- **Under no circumstances**, should public money be taken home for safekeeping, by either students or staff, nor stored in a classroom, nor deposited to an individual's personal bank account. Money should be secured according to district policy.

C. Procedures After the Sale

1. All student record sheets must be reconciled when students turn in money or merchandise after the fundraiser has ended and fines added to the student's record as necessary. (See Inventory Reconciliation Form)
2. All unsold merchandise is to be counted and placed in a secure location. Follow your plan for unsold merchandise.
3. The Final Reconciliation Form is to be kept on file on each fund raising activity.

The file should include:

1. The profit and loss analysis.
2. Relevant documentation, that might include but is not limited to: The fundraiser intent form, copies of all vendor invoices, district purchase order(s), receipts, student records sheets (including student fines), and other district reports.
3. A record of physical inventory of the unsold merchandise.
4. A copy of the vendor's credit memo for the merchandise returned.
5. A copy of the ASB interactivity transfer for the unsold merchandise transferred to the student store or other ASB club.
6. A final reconciliation showing the profit analysis of the fundraiser. This may be on the fundraising form or by itself.

Crowdfunding

Crowdfunding is the practice of funding a project or a cause by raising money from a large number of people, typically via the internet.

Check with your District's Board Policy on whether crowdfunding fundraisers are allowable. Some districts have taken the stance of only allowing crowdfunding for non-cash donations.

If crowdfunding fundraisers are allowable, all revenues must be deposited directly to the District's bank account within 24 hours ([RCW 43.09.240](#)) with no fees deducted. Any fees should be paid by check to the company and not deducted from the revenues.

Refer to the Washington State Auditor's guidance for [Third Party Receipting](#).

General Fund Fundraising

General Fund Fundraising

History- On February 19, 2003, the Attorney General’s Office issued [AGO 2003 No. 1](#) which stated that [RCW 28A.320.015](#) authorizes school districts to undertake fundraising activities where the activity in question is related to the educational purposes served by the school district.

Fundraising categories

Per Attorney General Opinion 2003 No.1, fundraising activities can be categorized as ff:

1. Solicitation of gifts and donations
2. Intergovernmental contracts
3. “Enterprise” activities designed to raise revenue for a district

Guidelines

1. There must be a school board policy
 - Prior to general fund fundraising, school board must adopt policies outlining the scope and nature of fundraising to be allowed. All fundraising activities allowed by the policy must promote K-12 public school education or promote the effective, efficient, and safe management of the school district. It is recommended that districts develop a listing of allowable General Fund fundraising activities.
 - School boards have broad discretionary power to adopt policies that are not in conflict with other laws that allow for creation and administration of programs that benefit K-12 public education and supports the safe operations of a school district.
2. Must relate the fundraising activity
 - Districts must show a link between the fundraising activity and some specific district educational activity. It is recommended that the link to the educational activity be outlined on the fundraiser request form. It is also highly advisable to keep the approved fundraiser form with board minutes (that shows approval of fundraiser) with the accounting records pertaining to the activity.
3. Clearly state that its General Fund fundraising
 - The purpose of the fundraiser must be clearly identified as being a fundraiser for the General Fund. All advertising should clearly indicate what the intended

purpose of the proceeds are for, and appropriate accounting records be maintained to properly account for each fundraising activity.

4. Fundraising activities should not be combined

- Districts should clearly identify whether fundraising activities are: General Fund fundraising; Associated Student Body fundraising; or Charitable, nonassociated student body fundraising. “Joint” fundraising activities (i.e. ASB and general fund) are NOT recommended as commingling funds are accounted for separately by the Treasurer’s office, with funds having specific purposes; thereby resulting in confusing/erroneous record-keeping.

5. It is NOT private money

- Monies raised from general fund fundraising activities are public monies, and as such must be spent appropriately.