

Administrators Operating Guide is written to supplement and define Board policies, Administrative regulations and official directives.

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#### **TABLE OF CONTENTS, SECTION 4**

<a href="#"><u>4.1</u></a>	<a href="#"><u>MONIES RECEIVED - ALL SOURCES</u></a>
<a href="#"><u>4.2</u></a>	<a href="#"><u>CASH HANDLING PROCEDURES</u></a>
<a href="#"><u>4.3</u></a>	<a href="#"><u>RECEIPTS OF MONEY BY THE FINANCIAL CLERK</u></a>
<a href="#"><u>4.4</u></a>	<a href="#"><u>DEPOSIT OF MONIES</u></a>
<a href="#"><u>4.5</u></a>	<a href="#"><u>RECEIPT DISTRIBUTION BY FUND</u></a>
<a href="#"><u>4.6</u></a>	<a href="#"><u>RETURNED CHECKS</u></a>
<a href="#"><u>4.7</u></a>	<a href="#"><u>COMMUNITY USE OF SCHOOL FACILITIES</u></a>
<a href="#"><u>4.8</u></a>	<a href="#"><u>FEES - STUDENT</u></a>
<a href="#"><u>4.9</u></a>	<a href="#"><u>GIFTS, DONATIONS &amp; BEQUESTS</u></a>
<a href="#"><u>4.10</u></a>	<a href="#"><u>TEXTBOOK MONEY</u></a>
<a href="#"><u>4.11</u></a>	<a href="#"><u>VENDING MACHINES</u></a>
<a href="#"><u>4.12</u></a>	<a href="#"><u>STATE &amp; LOCAL SALES TAX</u></a>
<a href="#"><u>4.13</u></a>	<a href="#"><u>COLLECTION &amp; REMITTANCE OF SALES TAXES</u></a>
<a href="#"><u>4.14</u></a>	<a href="#"><u>MONEY-RAISING ACTIVITIES</u></a>

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#### **4.1 MONIES RECEIVED - ALL SOURCES**

All monies from any source will be properly receipted by the person receiving such monies. These monies shall be properly deposited with the official depository bank in the appropriate account as maintained by the District.

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## **4.2 CASH HANDLING PROCEDURES**

### **Tyler ISD Cash Handling Procedures**

The following cash handling procedures shall be implemented in all campus buildings:

1. The principal will designate an area or room where all cash will be taken to be counted. This room should be as near the safe as possible, but away from outside exits to the building.
2. Cash, in any form, should not be left unattended or in plain sight of visitors to the school. All cash shall be locked in the safe when it is not being processed.
3. Building principals shall make every effort not to have substantial amounts of cash in the building at night, or at times when the school is closed.
4. Under no circumstances should money be kept in the classroom overnight. The school financial secretary or accountant can secure the funds overnight if necessary.
5. If large amounts of cash on hand are required for a specific purpose, arrangements with the depository bank can be made to obtain a lock bag which may be dropped in the night depository and picked up the following day. Contact Financial Services for specific instructions.
6. All monies on hand must be deposited intact; no expenditures may be made from these funds.
7. Check cashing from cash money on hand prior to deposit is prohibited.
8. With few exceptions, a receipt is issued whenever funds are received by the District. The District employee receiving the funds is responsible for issuing a receipt, then turning the funds and a copy of the receipt(s) to the campus secretary/accountant. Exceptions to issuing receipts include concession sales and receipts \$10 and under. The District employee responsible for the concession sales should complete a cash reconciliation showing beginning cash and the amount taken in, at a minimum. Receipts \$10 and under can be recorded on the District's Receipt Log for \$10 and Under, available on the Financial Services website, under Forms & Reports, choose Employee Forms.

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#### **4.3 RECEIPTS OF MONEY**

The link below is a document titled **Cash Receipts from A – Z**. These are the procedures to follow for receipting and depositing District funds. It is also available under Resources on the Financial Services site. Select the **Cash Receipts Procedures** link.

#### **Cash Receipts Procedures**

The District does have a Receipt Log for \$10 and Under.

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#### 4.4 DEPOSITS OF MONIES

Deposits will be made as often as needed to keep the amount of money in the school building to a minimum. As explained in **Section 5.1**, in some instances a petty cash account will be provided for change-making and any needed cash purchases, leaving no occasion to delay depositing funds promptly.

1. Deposits will be made as soon as possible after receipt. Daily deposits are the goal.
2. There will be separate deposit slips for each fund maintained by the District.
3. Deposit slips will be prepared in triplicate. The original and first copies (white and pink) of the deposit slip will be placed in the deposit bag, along with the money being deposited. The school will keep the third copy (yellow) in the deposit book. The bank will keep the original deposit slip and validate the second copy, forwarding it to Financial Services.
4. **Section 4.5** shows the various types of monies that should be deposited to the various funds.
5. The ticket manager of Athletics shall be responsible for the mechanics of collecting and depositing all competitive athletic receipts.
6. The endorsement of checks deposited will always show the fund to which they were deposited, and the name of the school making the deposit. Checks should be endorsed as soon as possible after receipt.
7. Each school should be well supplied with blank deposit slips and is responsible for ordering them as needed.
8. Call Financial Services whenever there is doubt regarding the proper disposition of monies.
9. Coins will be counted and placed in the bank deposit bag loose, not rolled. Currency will be grouped by denomination.
10. All deposits will be transported to the Depository Bank via a TISD police officer. During the summer when there are no scheduled pickups, deposits can be brought to Financial Services or taken directly to the District's bank. The disposition of every bank bag will be recorded on the TISD Bank Bag Pick-Up Log Sheet.
11. Should circumstances not allow for deposit on the day of receipt, all such monies must be secured within the school safe, and the deposit made on the next school day.

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#### 4.5 RECEIPT DISTRIBUTION BY FUND

##### **GENERAL OPERATING FUND**

Athletic event ticket sales (some go to Trust & Agency, depending on the event)

Gifts & bequests (Also see **Campus Activity, Section 2 & Student Activity Funds, Section 3**)

Gift procedures are found in **Section 4.15**)

Interest earnings (Also see Food Services, Campus Activity & Debt Service Funds)

Net receipts

Rentals

Sales to community groups

Sales tax

Service to other ISDs

Media (TV)

Payments from cities

Tuition fees

Summer School

Other Fees

Copy machine

End of school postage for report cards

Lost athletic equipment

Science lab breakage

Transcript fees

Vandalism/property damage

Non-Revenue Receipts

Credit Memo Refund (if paid by General Fund)

Damaged/lost district property

Insurance recovery

Land and /or building sale proceeds

Reimbursement

Personal long distance phone calls

Salary

Other

Security deposits

Vending machine commissions (Also see **Campus Activity Fund, Section 2**)

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#### 4.5 RECEIPT DISTRIBUTION BY FUND. cont'd

##### **Trust & Agency Fund**

Athletic event ticket sales (certain events)  
Author Book Fair  
Banquets  
Birthday Book Club  
Commemorative items  
    Annuals  
    Caps & gowns  
    Class rings  
    Invitations  
    Newspapers  
    Pictures  
    Commissions on above  
Curricular product which becomes student property  
    Clay for ceramics  
    Drafting  
    Home projects  
    Industrial Tech  
    Wood for shop  
Food Sales - also see Student Activity & Food Services Funds  
Gifts & Bequests - gift procedures are found in **Section 4.15**  
Gym suits  
Interest earnings – note: these are used to benefit the District as a whole  
Library copy machine  
Library fines  
Library lost books  
Magazine subscriptions  
Music recorders  
  
Newspaper ads  
School store  
Textbook fines  
Textbooks lost  
Vending machine commissions  
  
Club or group dues  
Concessions  
Food Sales  
Fund-raising projects  
Gifts & bequests - Gift procedures are found in **Section 4.15**

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#### 4.5 RECEIPT DISTRIBUTION BY FUND, cont'd

**Food Service Fund**

Food sales

Interest earnings

**Debt Service Fund**

Interest earnings

**Insurance Fund**

Interest earnings

**Capital Projects Fund**

Bond Proceeds

Interest earnings



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#### 4.6 RETURNED CHECKS

##### RETURNED CHECKS

Occasionally, a check that had been previously deposited is returned by the bank. A check may be returned for improper signature, insufficient funds, or account closed. When a check is returned by the bank, the following procedures are followed:

A collection agency receives the returned check directly from the bank. All NSF and Uncollected Funds checks are converted into "electronic checks" which are presented to the check writer's bank. If that doesn't return the money, the collection agency will send a series of letters requesting payment. Check writers may pay the collection agency by electronic check, credit card or by certified funds via mail. After 60 days any uncollected checks are returned to Financial Services. Once a check is returned as uncollectible, Financial Services writes it off and charges the account where it was originally credited. Principals and recordkeepers are notified by email when checks are written off.

No checks shall be accepted from a party who has not redeemed a previously returned check. Recordkeepers should take note of the names when checks are written off for the campus to prevent accepting another NSF check. Financial Services can be contacted if there is a question about accepting a check from someone.

If someone contacts the record keeper about a returned check, the Executive Director of Financial Services must be contacted before any arrangements are made for that person to pay for the returned item.

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#### 4.7 COMMUNITY USE OF SCHOOL FACILITIES

The link for the Tyler ISD Facilities Rental and Usage Handbook is below. It is available under Resources on the Facilities & Maintenance website.

<http://tylerisd.org/modules/groups/homepagefiles/cms/1698606/File/District%20Site/Handbooks/Facilities%20Usage.pdf>

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#### **4.8 FEES-STUDENT**

Student fees are authorized for:

1. Any program in which the resultant product is in excess of minimum requirements and, at the student's option, becomes the personal property of the student. Fees may not exceed the cost of materials.  
  
(Minimum requirement means, required in order to obtain a grade; *in excess of minimum requirements* means, exceeds the need to obtain a grade.) Any project within a class that is strictly the student's choice, the project will not be factored into the grade, and it is the student's option to keep the final project. The charge to the student may not exceed the cost of the materials.
2. Membership dues in student organizations or clubs and admission fees or charges for attending extracurricular activities when membership or attendance is voluntary.
3. Security deposits for the return of materials, supplies or equipment.
4. Personal physical education and athletic equipment and apparel. However, any student may provide his or her own if it meets reasonable requirements and standards relating to health and safety established by the Board of Trustees.
5. Items of personal use or products which a student may purchase at his or her own option, such as student publications, class rings, annuals and graduation announcements.
6. Fees specifically permitted by any other statute.
7. Any authorized, voluntary student health and accident benefit plan.
8. A reasonable fee, not to exceed the actual annual maintenance cost, for the use of musical instruments and uniforms owned or rented by the District.
9. Items of personal apparel which become the property of the student and which are used in extracurricular activities.
10. Parking fees and fees for identification cards and student planners.
11. Courses offered for credit in which the activity necessitates the use of facilities not available on the school premises, and participation in the course is optional on the part of the student.

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#### **4.8 FEES-STUDENT, cont'd**

Students may be required to furnish personal or consumable items, including pencils, paper, pens, erasers, graph paper and notebooks.

**Student fees are prohibited for the following:**

1. Textbooks, workbooks, laboratory supplies or any other supplies necessary for participation (as a minimum requirement), except as authorized under this code.  
  
(Minimum requirement means, required in order to obtain a grade; in excess of minimum requirements means, exceeds the need to obtain a grade.) Any project within a class that is required for curriculum/instruction and will be factored into the grade may not be charged to the student. The cost must be absorbed by the district.
2. Field trips which are required as a part of a basic education program or course.
3. Instructional costs for necessary school personnel employed in any course or educational program required for graduation.
4. Library books required to be utilized for any educational course or program, except that fines may be assessed for lost, damaged or overdue books.
5. Admission fees, dues or fees for any activity which the student is required to attend as a prerequisite to graduation.
6. Any admission or examination cost for any required educational course or program.
7. Lockers

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#### **4.9 GIFTS, DONATIONS & BEQUESTS**

Authority - Board Policy Manual, CDC (Local)

The links below are available on the Financial Services website, Forms & Reports, Employee Forms:

[Gift & Donation Instructions](#)

[Gift & Donation Form](#)

#### **Donations Requiring Support by Technology Services**

The completed **Gift and Donation Report** will be analyzed by the Assistant Superintendent of Finance & Operations for determination of district-funded support and maintenance. Examples of such donations include, but are not limited to, computers, printers, associated peripheral, televisions, VCRs, telephones (communications systems), software, networking or cabling services or any other item typically serviced by the Technology Service Center.

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#### **4.10 TEXTBOOK MONEY**

All textbook money will be deposited immediately to the appropriate Campus Activity Fund. The book code and title should be indicated on the receipt.

When a refund is needed for a student who has returned a lost book, the school principal will submit a Non-Employee Reimbursement in TEAMS, including the returned book title, and a copy of the receipt where originally paid.

The link below is to the Refund Request form, available from the Financial Services website, Forms & Reports, Employee Forms.

<http://tylerisd.org/modules/groups/homepagefiles/cms/1698606/File/District%20Site/Forms/Financial%20Services/Refund%20Request.pdf>

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#### **4.11 VENDING MACHINES**

All vending machines in TISD must be vendor-serviced. The District contracts with a firm(s) through periodic bids, whereby the vendor agrees to service the machines and collect the money. The District's Financial Services Department then receives a periodic commission check from the vendor, and distributes the commission directly to each school's Campus Activity Fund account(s). Information on these deposits is available to campuses/departments on the TEAMS Cash Receipt Report.

Commissions on all other machines in secondary schools and in all elementary schools are 100% distributed directly to the individual school.

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#### **4.12 TAXABLE STATUS OF PURCHASES**

All items purchased by a public school for the school's own use qualify for an exemption from sales. The school, school district or an authorized agent should provide the seller a tax exemption certificate. To be valid, the certificate must state that the merchandise being purchased is for the organization's own use in providing education, is being made in the name of the organization, and that payment shall be made from the organization's own funds. The school district should not reimburse employees for sales tax they paid on purchases made on behalf of the school district.

Purchases for their own use by individuals, even though connected with a school or school organization, are not exempt from the tax. As an example, cheerleaders purchasing their own uniforms, teachers purchasing computer equipment, band members purchasing their own instruments and athletic teams purchasing their own jackets are not tax exempt.

##### **Exempt School Items**

1. Fees and admission tickets, including football and drama tickets
2. Student club memberships
3. Sales of food and soft drinks that are:

Sold or served during the regular school day

Sold or served by a parent-teacher association during a fund raising sale, the proceeds of which do not benefit an individual

Sold by a person under 19 years of age who is a member of an organization devoted to the exclusive purpose of education, and groups associated with public or private elementary or secondary schools as a part of a fund raising drive sponsored by the organization for its exclusive use

##### **School-Sponsored Trips**

Meals purchased by the school for athletic teams, bands, etc. on authorized school trips are exempt from the sales tax if the school contracts for meals. The school must pay for the meals and provide the eating establishments with an exemption certificate.

Individual members of teams or other organizations may not claim exemption from the sales tax on the meals they purchase while on a school-authorized trip.

An exemption may also be claimed by the school from the hotel occupancy tax if the school contracts and pays for the accommodations. This exemption is only for the *state* hotel occupancy taxes; it does not exempt the school district from local hotel occupancy taxes.



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#### **4.12 TAXABLE STATUS OF PURCHASES, Cont'd**

Teachers, coaches, and other staff may not claim exemption from sales tax on individual purchases while on school business even though they are reimbursed by the school for expenses. For example, a teacher who is attending a conference out of town would not be able to claim a sales tax exemption on the purchase of an individual meal at a restaurant.

##### **Taxable Sales**

Public schools and school-related organizations must collect the sales tax on all sales which are not specifically exempted. For example, sales taxes must be collected on the following:

1. School purchased supplies sold directly to students including athletic equipment and physical education uniforms
2. Fees for materials when the end product becomes a possession of the student
3. Student publications such as yearbooks and football programs
4. School rings
5. Books sold to students at book fairs

This list is not comprehensive; other taxable sales may be made by a school district.

NOTE: The contract with a vendor may specify that the vendor will collect and remit applicable sales tax to the state (example – Lifetouch, Scholastic Book Fairs). In this case, the school does not have to report these taxable sales on the sales tax report submitted to Financial Services.

##### **Tax-Free Sales**

An exception for the collection of sales tax for exempt organizations is available if all the items are sold at a one-day sale or auction. The one-day sale or auction exception applies only twice a year; therefore, three or more exempt sales or auctions cannot be held within the year. Each school campus is a separate organization for this purpose. In addition, the exception also applies to each organization within the school and to outside organizations (such as PTA) affiliated with the school (source: State Comptroller Sales Tax Publication 96-122). An item to be sold at the one-day sale may be purchased tax free by issuing an exemption certificate to the seller. The certificate must state that the taxable item is to be resold at the one-day sale.

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#### 4.12 TAXABLE STATUS OF PURCHASES, cont'd

According to the State Comptroller's office, a bona fide chapter is a group that must be organized for some business or activity other than instruction or a participatory group. Essentially, any student group that is recognized by the school and is organized by electing officers (not just participatory captains), holding meetings, and conducting business are bona fide chapters of the school and each group may have two, one-day, tax-free sales in a calendar year.

Groups meeting for classroom instruction or team sports are not categorized as bona fide chapters and do not qualify for the tax-free day sales.

For example:

The school district qualifies for a tax-free day.

The school-wide fundraiser qualifies for a tax-free day.

The Basketball Club qualifies, but the basketball team does not.

The Cheerleader Club qualifies, but not the cheerleader team.

The Debate Club qualifies, but debate teams and classes do not.

The French Club qualifies, but the French classes do not.

The Senior Class qualifies, but not one particular class that has seniors in it.

One-day means 24 consecutive hours; the delivery should be made on a single day. Generally title passes to the purchaser when the item is given to the purchaser. In the case of pre-ordered and pre-paid sales, title can transfer as soon as the seller (school) receives the order. Therefore, the date the items are delivered by the vendor to the seller is designated as the one-day for the purposes of the tax-free sales. However, persons buying from surplus stock on subsequent dates after the tax-free day owe tax on the items.

When the school or school group receives a commission, the tax-free day sale provisions cannot apply because the sale is the vendor's sale, not the school's sale. The school group would collect and remit tax to the vendor, and the vendor would report the sale and remit tax to the Comptroller's office.

#### **Toll Free Number**

The state comptroller's office maintains a toll free information number for quick response to any state tax question at 1-800-252-5555.

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#### **4.13 COLLECTION AND REMITTANCE OF SALES TAX (CHOOSE A OR B)**

##### **A. Vendor Responsibility**

The most desirable method of handling sales tax is to include the tax in the purchase price to the buyer and then forward the cost and the tax to the vendor for handling. This can only be used when the District charges only the cost to the buyer, or if a contract with a vendor for a fund raiser specifies that the vendor will remit the sales tax to the state.

##### **B. School District Responsibility (Choose #1 or #2)**

1. **Add the tax to the selling price of the item.** Thus, if the selling price of an item was \$100 and the tax rate was 8.25%, the school would collect \$108.25 from the buyer for each item sold.
2. **Absorb the tax in the selling price of the item.** Thus, if total sales were \$100.00 including tax, and the tax rate was 8.25%, the school would retain \$92.38 and remit \$7.62 for sales tax. If this method is used, divide your total sales by 1.0825 to find the item cost. The difference between the item cost and the sales price is the tax.

##### **C. General Requirements**

The current sales tax is \$.0825, or 8.25 cents per dollar.

Complete the Monthly Report of Sales Tax Collected and send it to Financial Services by the 15<sup>th</sup> of each month. This form should be completed by every campus even if there were no taxable sales.

The Sales Tax Report for Campuses is available from the link below. It is on the Financial Services website, Forms & Reports, Employee Forms.

<http://tylerisd.org/modules/groups/homepagefiles/cms/1698606/File/District%20Site/Forms/Financial%20Services/Sales%20Tax%20Report%20for%20Campuses.xls>

Financial Services will assume full responsibility for transmitting all sales tax collections reported, to the State Comptroller's Office.

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#### 4.14 MONEY RAISING ACTIVITIES

##### **Definition**

A fund-raising activity may be defined as any activity involving the participation of a student body or a school-recognized student group, undertaken for the purpose of deriving monies for a school or a school participant group. Fund-raising activities are not confined to regular school hours, but are considered an extension of the school program.

##### **Authorization**

All fund-raising activities by any student organization shall have the approval of the principal. Elementary principals shall not approve fund-raising activities which are not designed to achieve the purpose of the participant group involved. Appeals for exceptions to the guideline may be made to the Deputy Superintendent. Door-to-door fund raising by students in activities sponsored by the school or by a school related organization is prohibited.

##### **Sponsor Training**

All campus sponsors who collect funds must take the District's Activity Fund Sponsor Training, available as an Eduphoria's eCourse. Each campus principal is responsible for ensuring that sponsors complete this training and present the signed **Responsibilities for Activity Fund Sponsors Acknowledgement form** (available in the eCourse) to the campus secretary/accountant each year. This should occur **before** fund raising activities are begun for any new employee or an employee who has never had the training before. Returning sponsors should complete the course again as soon as possible after the start of each new year.

##### **Accounting**

All collections and disbursements associated with any fund-raising activity coordinated by the school or a school-recognized student group shall be transacted through the Campus Activity or Student Activity Fund. The group's officers and/or the faculty sponsor shall be responsible for keeping accurate records for all fund-raising activities. Such records shall include original cash receipts for monies turned in to the school's financial secretary or accountant, the appropriate fundraising forms and a copy of the tabulation of monies collected from students. All records shall be retained for audit purposes.

Such records should include at minimum:

- a. Distribution lists
- b. Collection reports.
- c. Tabulation of sales tax collections.
- d. The pink copy of all Activity Fund Deposit Records received for money turned in to the activity fund recordkeeper.

Upon completion of fund raising activities, the Fundraising Recap Section of the Fund Raising Application should be completed by the sponsor. The completed white copy must be filed with the record keeper and retained for audit purposes. A completed copy of the form must be retained by the sponsor. This report should

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#### **4.14 FUND RAISING ACTIVITIES (continued)**

indicate gross collections and list any expenses incurred relative to the activity (advertising, supplies, sales tax, prizes, etc.). Disposition of the net proceeds (profits) should also be disclosed, if funds were collected for a specific purpose. Approval for future fund raising requests will be based on the proper completion and timely submission of this report.

##### **Other Guidelines**

When fund raising 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.

Projects for the raising of activity fund monies shall not conflict with, but shall add to the instructional program.

All contracts, installment contracts, lease agreements and letters of agreement must be signed and approved by the school principal. This requirement includes commitment and obligations to disc jockeys, bands, fund raising companies, rental agreements, reservations for ballrooms and restaurants. No contract or agreement may extend over one (1) year from the date of the contract or agreement without a specific authorization in writing by the Assistant Superintendent of Finance & Operations.

To request permission to conduct a fund raising activity, the club sponsor should complete the application portion of the Fund Raising Application and Financial Recap Form. At least three weeks in advance of the planned fund raiser, all fund raising requests must be submitted to the campus principal or designee for approval.

Each organization is limited to a maximum of three fund raising activities annually. However, one fund raising activity may take place several times. For example, if a group sells football programs as a fundraiser, that activity counts as one fundraising activity even though they may sell programs at several football games.

**Raffles, regardless of what name is used for them, are prohibited.**

##### **INDIVIDUAL ACCOUNTS**

Tax exempt organizations, according to the IRS, must benefit a group as a whole instead of benefiting individual members of a group. Therefore, individual accounts that credit individuals for their fundraising efforts may not be used. All members of the organization must be treated equally and receive the same opportunity to benefit from the fundraising activities. This is true both for District organizations and affiliated groups like booster clubs.

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#### **4.14 FUND RAISING ACTIVITIES (continued)**

##### **FUNDRAISING PARTICIPATION AND QUOTAS**

According to the IRS, tax exempt organizations may not require participation in fundraisers. Benefits given by an organization cannot be distributed based on participation in a fundraiser or based on revenues individually generated in a fundraiser. Therefore, a person cannot be denied the opportunity to receive a benefit due to lack of participation in a fundraiser or because a specified amount of revenue was not raised.

An organization may establish written criteria for giving certain benefits to an individual with a financial hardship. If a student meets the written criteria established prior to a financial hardship situation arising, the student may

then receive a benefit that others do not receive. Such a benefit is an approved exception, by the IRS, to having all members receive an equal opportunity to benefit from fundraising activities.

All organization fundraising efforts must be within federal, state and district guidelines and must be for the purpose of supporting the school program or group activity for which the organization was formed.

##### **Charitable Donations to Others**

A campus or group may decide to raise funds to donate for some charitable purpose. Guidelines above for other fundraising and cash handling should be followed. The Fundraising/Charitable Donations to Others/Sales Activity Application form should be completed and approved by the principal before the event is planned. These funds should be deposited to and paid out of either a Student Activity Fund (Fund 865) or the Campus Courtesy Account in Fund 899. Charitable fundraising for individuals is prohibited in the District's campus and student activity accounts. Charitable fundraising can only be done on behalf of a registered 501(c)3 organization. The IRS maintains a list of charities authorized to accept donations at this site: <http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check>

District staff shall not utilize an external donor website to seek donations for the district without the written authorization from the Assistant Superintendent of Finance & Operations. Donor websites shall not be established by the district for the personal benefit of a staff member or student.

Student and campus activity accounts and organizations may utilize external donor websites to seek donations for their club or organization with the written authorization from the campus principal and Assistant Superintendent of Finance & Operations.

Donations, if any, received through the donor website shall be deposited in the appropriate District depository account. All expenditures with the donated funds shall follow the established purchasing and payment procedures.