

Chapter 4 - Fundraising

Section I - Policies

State Board of Education Guidelines (Financial and Program Cost Accounting and Reporting for Florida Schools “Red Book” – Chapter Seven); Hernando County School Board Policy Handbook and Internal Accounts Policies.

4.0 Overview (Chapter Seven, Section III, 4.4)

- A. Each fundraising activity shall be planned to finance a specified objective.
- B. Each fundraising activity shall have the approval of the organization sponsor and the principal.
- C. The principal shall control the fundraising activities conducted in the name of the school, and assure that the purposes are worthwhile.
- D. Raffles and other activities of chance shall not be conducted by any schools. However, under certain circumstances, school-related non-profit organizations exempted under IRS Section 501(c) may hold raffles. It is strongly recommended that the Finance Department be contacted for guidance on this issue.
- E. Fundraising activities for which students are charged an admission shall not be presented during school hours.
- F. When any school organization or group is involved in a fundraising activity or any function exposing the School Board to extraordinary liability, approval must be obtained in advance from the Superintendent or designee.
- G. Collections for all school-sponsored fundraising activities must be deposited in the internal fund, and all transactions in connection with the activity conducted in accordance with School Board rules.

4.1 District Fundraising Guidelines for Elementary and Middle Schools (Hernando County School Board Guidelines)

- A. An organizational meeting should be held with all parties involved to review goals, dates, and materials to insure that the fundraising program is consistent with established policy.
 - 1. An explanatory letter, detailing the need for the project and the sale guidelines, should be attached to the order form.
 - 2. A place for the parent signature will be included in the letter to insure that they have read and understand the guidelines and agree to adhere to the statement prohibiting student participation.

3. Companies should furnish to the parents a computerized accounting of orders, detailing how much is owed from each customer, including applicable state sales tax.
 4. A second explanatory letter should be included with the accounting sheet, detailing the procedure of how and when the orders are to be paid for and received.
- B. Presentation of the fundraising program should be directed only to adults (parents, guardians, etc.) and not involve students during instructional times of the day.
 - C. A well-organized product distribution for parents, guardians, etc., should be held after school. They should bring in their computer sheets, pay for, and receive their orders, and any incentives.
 - D. Incentives for participating in the fundraising project are to be determined by the school principal and the school fundraising chairman/sponsor.
 - E. Florida Department of Revenue Statute 12A-1.001, Article 15(d) specifies that tangible personal property sold through the school for fundraising purposes is taxable based on the delivered cost to the school. The Florida State Parent Teacher Association (PTA) recommends that the company be a registered sales tax vendor in the State of Florida, who will agree to collect and pay sales tax to the Department of Revenue.
 - F. These guidelines for fundraisers involving the sale of merchandise are intended to insure the following:
 1. The safety of the students is insured by limiting their participation in the process to taking home the fundraiser information.
 2. These guidelines include no encroachment on the instructional day.
 3. This format follows Florida PTA guidelines and complies with the Florida Department of Revenue.

4.2 Internal Accounts General Policies

- A. All fundraising projects and activities by the schools or groups within the school shall contribute to the educational experiences of students and shall not be in conflict with the overall instructional program.
- B. A parent-teacher association or other organization connected with the school may sponsor fundraising activities provided that schoolwork and time are not affected. Such activities shall be conducted in accordance with the policies of the Board and with the approval of the principal.

Section II - Accounting Controls and Procedures

All fundraising activities must be approved in writing by the principal or designee. Planning for fundraising activities should include procedures to insure all funds and products are accurately documented and properly safeguarded.

4.0 Fundraising Procedures

- A. Prior to the start of fundraising activities and the procurement of merchandise for sale, the principal or designee must approve the activity.
- B. All products purchased for resale must be accounted for at retail value. Make a full count of all items received BEFORE the sale starts. An example follows: (also see Appendix)

Estimated Costs:

Received for resale	100 boxes of candy
Purchase price	\$0.50 per box
Total costs	\$50.00 (100 x \$0.50)

Estimated Revenues:

Received for Resale	100 boxes of candy
Selling price	\$1.00 per box
Expected income	\$100.00 (100 x \$1.00)
Gross profit	\$50.00 (\$100 - \$50)

- C. A fundraising report recap must be filed with the principal's office at the close of each fundraising activity. Any material variances or explanations must be properly documented and attached to the form. (see appendix)
- D. Any reduction in the price of the product or service must be documented in writing at the time of the reduction and must be approved by the principal or designee. All items used as prizes or gifts must be documented at the time a fundraising activity is contracted.
- E. Florida sales tax must be paid to the vendor at the time any fundraising supplies are purchased.
- F. Other types of fundraising require pledges from individuals, such as walk-a-thons, dance-a-thons, etc. In these cases, all pledge sheets must be retained for audit. Each pledge sheet total must agree with the amount of monies deposited for each student, unless verified by the student and sponsor as uncollectable.
- G. Special events such as barbecues, dances, etc., represent yet another form of fundraising activity. These may require the use of tickets, with the following guidelines:
1. If the school prints tickets, an inventory of all tickets printed must be maintained.
 2. All tickets must be controlled by the bookkeeper.
 3. All unsold tickets must be maintained for audit.

- H. The sponsors and students may be required to reimburse the school for funds, items or services for which there is no acceptable documentation for sales, spoilage, theft, or uncollectable bills for services.