

Fund-Raiser Guidelines Accounting, and Auditing



Lamesa Independent School District

Fund-Raiser Steps

The following steps serve as a guide in holding a fund-raiser:

- 1 Read the fund-raiser guidelines.
- 2 Carefully consider the type and number of fund-raising activities that will be held during the year. Also consider sales tax implications, work involved, and anticipated profit.
3. If you are holding a catalog fund-raiser that includes taxable products, sales tax must be collected and remitted to the vendor. Recommend that the catalog prices include sales tax. The catalogs must indicate that sales tax is included in the price.
4. To request approval for a fund-raiser, the Permission Request of the Fund-Raising Activity Report must be completed and submitted to the principal or designee.
5. For money received from the fund-raiser, document the amount received from each student by issuing a receipt or using a log. Money must be turned in daily for deposit to the principals' secretary.
If orders are being received, require that money be collected at the time orders are placed. If any returned checks are received, product can be held until the money is received for the returned checks.
6. The Operating Report section and the pertinent Reconciliation Report, if applicable, should be completed and submitted to the campus secretary no later than one week subsequent to the projected completion date stated on the Permission Request.

The Campus Secretary will verify the information on the Operating Report and then provide it to the principal for review and approval.

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Documents Included in Fund Raising Handbook

- Guidelines
- Fund Raising Restrictions and Examples of Use of Funds Raised
- Sponsor Responsibility Acknowledgement
- Operating Report –(2 pages)
- Fund Raiser Permission Request (2 pages)
- Reconciliation Reports (complete whichever one applies)
 - Ticket Reconciliation
 - Concessions Reconciliation
 - Catalog /Product Sales
- Vendor Information
 - Contract and Lease Attachment

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Guidelines

Students cannot be required to participate in a fund-raiser 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.

I. Reminders

- No fund-raiser program may require/promote students going door to door.
- Students are allowed to receive approved incentives (prizes) for participating in a fund-raiser program. It is the responsibility of the principal or designee to monitor and approve any incentive program to ensure the appropriateness for LISD students. (For any incentives that involve food, please refer to www.squaremeals.org .) (See FMV requirements in the Campus Secretaries Office)
- Funds raised by all students of the campus/booster club/organization should be combined towards the particular event or expenditures for which the funds were raised. These funds should then be used to benefit all students of the campus/booster club/organization. For instance, you may not reduce a student's trip expense or provide free or reduced priced tickets to those that raised funds or raised a certain amount of funds.
- Students may not be required to participate in a fund-raiser program. Students may not be required to sell a certain amount or make a donation in lieu of fund-raising. In addition, a student cannot be punished in any way for not participating in a fund-raiser program.
- The principal or designee should keep a central calendar and log of all fund-raisers to be held by their campus clubs and departments and also by their booster clubs.
- The calendar and log of fund-raisers will help to prevent too many fund-raisers from being held at the same time and will help prevent various groups from holding the same or similar types of fund-raisers within a short time period. By preventing these situations, the fund-raiser customers may be more willing to participate. The calendar and log will also assist the school and the principal's secretary in knowing when money is being collected.

II. Approved Fund-Raiser Activities

School Sponsored:

Request certificates of insurance from your vendors as evidence they have met the district's insurance requirements. School principals are the only authorized district personnel able to contract in the district's name with vendors on the campus level. Carefully read the entire service and/or equipment contract you are being asked to sign. If it contains an Indemnification Clause, Hold Harmless Clause, or a Waiver of Liability Clause you are prohibited from signing it as it is. School districts are political subdivisions of the state and are not answerable for the negligence of their trustees, agents, or employees under the doctrine of governmental immunity. You cannot accept liability in the name of the district; not can you waive the liability of others (your vendors) against third party claims. Write in "See Attachment" on the contract and add the enclosed Contract and Lease Attachment to the contract. Have the contractor acknowledge the attachment by signing it.

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Booster Clubs:

Your group is a separate entity from the school district. Booster Clubs ARE NOT protected from liability by governmental immunity. Carefully read the entire contract and/or service agreement you are being asked to sign by your vendor. Unless your group is covered by its own general liability insurance policy (either an annual policy or one day event policy) by signing a contract that includes an Indemnification Clause, Hold Harmless Clause, or a Waiver of Liability Clause, you are accepting, in the name of your group and its' officers, the risk for any and all losses (property damage, bodily injury, personal injury, etc.) incurred or resulting from the event you are contracting for.

Garage Sales, Car Washes, Etc.

- Volunteers, students and/or staff members must conduct all sales.
- Garage sale items must be donated.
- Written permission must be received from property/land owner for a LISD campus/organization to conduct a car wash.

Candy/Food Sales

- While candy orders may be taken during the school day, candy items may not be delivered until after the end of the last scheduled class. (www.squaremeals.org)
- Please check with the attached Texas Public School Nutrition Policy.

Catered Dinners

- The principal must approve all catered meals.
- Volunteers, students and/or staff must sell the tickets.
- The campus and/or organization shall collect all revenues generated.
- The catering vendor shall deliver and serve the meal.
- All Texas Public School Nutrition Policies must be followed as it relates to catering meals.

III. Non-approved Fund-Raiser activities

- A. Gambling games, such as bingo, are not allowed unless the organization has met all legal requirements and have obtained a license through the Texas Lottery Commission.
- B. Any service, product, activity or program deemed inappropriate by the LISD administration.
- C. Raffles. (The definition of a raffle is “the award of one or more prizes by **chance** at a single occasion among a single 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**”)
- D. **Schools are not allowed, by State law, to hold raffles.**
- E. A nonprofit organization that has existed for at least three preceding years and is exempt from federal income tax under Section 501(c), does not distribute any of its income to its members, officers or governing body; does not devote a substantial part of its activities to attempting to influence legislation; and does not participate in any political campaign, may hold a raffle.
- F. Only members of the organization or persons authorized by the organization may sell tickets.
- G. An organization may offer any prize except money.
- H. The value of the prize may not exceed \$50,000. There is a no value limit on prizes donated to the organization. The organization must have each raffle prize in its possession or ownership, or must post a bond for the full amount of the value of the prize with the county clerk.
- I. A qualified organization (i.e. Booster Club) may hold two raffles per calendar year and only one raffle at a time.
 - Raffle tickets may not be advertised state wide or through paid advertisements.

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- Raffles may be advertised on any school site with the permission of that buildings' administration.
- Each raffle ticket must state the name or address of the organization holding the raffle, or the address of an officer of the organization, the price of the ticket, a general description of each prize to be awarded that has a value of over \$10, and the date on which the raffle prize or prizes will be awarded.
- Proceeds from ticket sales must be used only for the charitable purpose of the qualified organization.

IV. Laying the foundation for accountability.

- A. Board/Superintendent support
- B. A written handbook which details the following:

1. Rationale

Accountability:

“The educator shall honestly account for all funds committed to his or her charge and shall conduct financial business with integrity.”

(Principal 1, Standard 2 of the Code of Ethics and Standard Practices for Texas for Texas Educators, State Board of Educator Certification.)

Self protection:

2. Responsibility

Principal: ultimately responsible for safeguarding student and campus funds.

Campus Secretary: maintaining records, filing reports, issuing checks, receiving and safeguarding money.

Faculty Sponsor: safeguarding and accounting for all funds entrusted to him/her.

Accounting Department: monitoring activity and report.

Internal Analysis Department: periodic auditing and recommendations

3. Procedures

Spending cash

Collecting and handling cash

Record keeping

- C. Form acknowledging responsibility to be signed by each sponsor or other employee/s involved in fund raisers.

- C. Determine that all of the above is communicated to the sponsors of student groups.

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V. Reports which provide accountability.

- A. Daily record keeping – kept by the sponsor and available for examination for three years after the activity has been completed.
- B. Fund raiser report – completed by the sponsor and submitted to the campus secretary immediately following the completion of a fund raiser.

VI. Who should monitor fund raisers and how they should do it.

A. Campus Level

- 1. Principal has ultimate responsibility**
- 2. Assistant principal designated to oversee student groups**
- 3. Campus secretary has daily contact**

B. Internal Analyst or other central office personnel: (steps incorporated into campus audit).

- 1. Select a number of student organization for which cash receipts were recorded during the audit period. (Source document monthly activity report which shows the total receipts and disbursements of each student group.)**

- a. Examine the cash receipts journals for the organizations selected.
- b. Evaluate the frequency and total of deposits made. Are they appropriated for the fund raiser or other activity conducted? Are large amounts of cash accumulated between deposits?
- c. Determine that the Fund Raiser Report was submitted as required, that the report is complete and accurate.
- d. Trace a sample of deposits reported on the Fund Raiser Report to the cash receipts recorded by the campus secretary.
- e. Determine that the sales tax report was submitted to the campus bookkeeper if taxable items were sold.
- f. Meet with the club sponsor to examine the supporting documentation maintained by the sponsor. Evaluate the adequacy of the records. Discuss the requirements of the Fund Raiser Guidelines.

2. In cases where fraud is suspected:

- a. Immediately gather and secure all relevant documentation.
- b. Advise the principal of your concerns.

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- c. Discuss your concerns with the sponsor in the presence of the principal, assistant principal or other witness/es.
- d. Immediately initiate an inquiry (the term “investigation” implies that a crime has been committed).
- e. Document in detail all audit procedures, findings, interviews, and meetings with related parties.
- f. Maintain confidentiality throughout the inquiry for the protection of all concerned.
- g. Discuss your findings and recommendations with the appropriate administrators.
- h. At the appropriate time, advise the Board of Trustees either directly or through the Superintendent.
- i. The ultimate decision will probably be made by the Board or the Superintendent with input from the Internal Analyst, the finance department, and the district’s legal counsel.

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Fund-Raising Restrictions and Example of the Use of Funds Raised

Lamesa ISD is considered a charitable organization. The following are Internal Revenue Service (IRS) restrictions placed on tax-exempt organizations (i.e., District, PTOs, and Booster Clubs) that **must be followed**:

☞ **As a tax-exempt organization, the District must benefit a campus/organization as a whole instead of benefiting individual members of a campus/organization.** All members of the campus/organization are to be treated equally and receive the same opportunity to benefit from a fund-raiser. Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need discussed below is met.

In some instances, individuals may not be able to afford to pay the amount owed to participate in a particular event. The IRS has indicated that a campus/organization may establish criteria that could be used to determine if an individual is in financial need. If the criteria are met, the campus/organization could provide the necessary funds to allow the individual to participate. One criterion could be whether the student is on the free/reduced lunch program. The criteria should be established in writing prior to a particular situation arising. In addition, the criteria should be used consistently for all individuals, and the criteria should not change every year.

☞ **As a tax-exempt organization, the District campuses/organizations cannot use individual accounts.** "Individual accounts" are used by a campus/organization to record a credit to an individual (participant) based on revenues raised. The campus/organization would offset that individual's expenses with the amount credited to that individual from the revenues raised.

☞ **As a tax-exempt organization, the District campuses/organizations cannot require a person to participate in fund-raising activities.** A campus/organization cannot require its members or the students to participate in a fund-raiser. Furthermore, students who do not participate in fund-raising activities would receive the same opportunity to benefit as those students who participated.

☞ **As a tax-exempt organization, the District campuses/organizations cannot require that a certain amount be raised or sold per person.** For example, a campus/organization cannot require that each member or student sell \$20 worth of candy or sell 10 candy bars in a fund-raiser.

The following is an example of the above concepts:

Science Club is having a fund-raiser to help reduce the cost of a special field trip. The cost of the trip is \$5,000 for 100 people. Therefore, each person's cost for the trip before the fund-raiser is \$50.

Of the 100 people participating in the trip, only 50 people participate in the fund-raiser and raise a total of \$1,500.

The \$1,500 must be split equally among the 100 people going on the trip; even though, only 50 people participated in the fund-raiser. Therefore, each person receives a benefit of \$15 ($\$1,500 / 100$). Now, each person's cost for the trip is \$35 ($\$50 - \15).

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RESPONSIBILITIES OF FACULTY SPONSORS OF STUDENT GROUPS

The purpose for the collecting or raising and expending of funds by students groups is for the direct benefit of the students. Funds are to be used to finance activities which supplement the educational curriculum of the District. Fund raising activities will contribute to the educational experience of the pupils and will not conflict with instructional program. Money raised by student groups and organizations is held by the school as trustee. The faculty sponsor of a student club group is responsible for maintaining adequate financial records as evidence of proper custodianship of money received by and disbursed from club accounts.

I hereby acknowledge that I have read the *Lamesa Independent School District Fund-Raiser Guidelines, Accounting, and Auditing, and Activity Fund Guidelines, and that I am responsible for complying with it. In particular, I acknowledge that*

1. All fund raising activities will be approved in advance by the principal and or superintendent using the designated form.
2. I am responsible for both safeguarding and accounting for funds received from and/or on behalf of student/s.
3. Student activity money will be turned into the office daily in the same form in which it was received.
4. At the completion of all fund raisers the Fund Raiser Report will be completed and submitted to the principal for approval.
5. All purchases made on behalf of the student organizations will be made by check and approved in advance by the principal using the Check Request Form.
6. In general, no purchases will be made "on account". Exceptions to this rule will be preapproved in writing by the principal.
7. I will maintain a positive balance in my organization's account at all times.

I understand that I will be held responsible for any student activity funds entrusted to me and that I will reimburse the student organization for any money (or property purchased with student activity money) which is lost due to carelessness, theft, or fraud.

Signature

Date

Student Group

return with fundraising permission report

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Fund- Raiser Permission Request

Instructions

- 1 **The Permission Request (2 pages) must be completed and submitted to the principal or designee for approval by for the fund-raisers to be held.** The Principal will return the form to the individual requesting permission. **All fundraisers over \$500 must be approved by the superintendent.**

2. **The Operating Report shall be prepared promptly upon completion of the fund-raising activity.** A copy of the form should be retained by the organization sponsor and the original should be turned into the financial secretary (secretary that handles the school’s finances) no later than one week subsequent to the projected end date of the fund-raiser as stated on the Permission Request.

If a PTO or Booster Club is holding the fund-raiser, the Operating Report should be provided to the organization’s Treasurer and not the school. The organization is responsible for handling the money received and the related expenditures as well as keeping the fund-raiser records as required for record retention.

Campus _____ Date _____

Organization _____ Sponsor _____

Specific Purpose(s) for which the net proceeds are to be used:

Activity Fund Account(s) that will receive the net proceeds (Budget Unit # & Account #):

Budget Unit #	Account #
Budget Unit #	Account #

Description of Fund-Raiser:

Is Vendor on the approved vendor list? Yes ___ No ___

Vendor Name: _____

Vendor Representative Vendor Address _____

Vendor Phone # _____

Quoted Profit % from Vendor _____

Type of Fund-Raiser

€ **Catalog Sales**

€ **Single Item Sale**

€ **Concessions**

€ **Ticket Event**

€ **Other – Describe:**

Sponsor: _____

Requesting Permission Date: _____

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Permission Request A Major Fund-Raiser is over \$500

Fund-Raiser Start Date _____

Fund-Raiser End Date _____

___ **Major Fund-Raiser** **this is the 1st ___ 2nd ___ 3rd ___** major fund-raising activity for the school year that I have requested for this group.

___ **Minor Fund-Raiser** **This is the 1st ___ 2nd ___ 3rd ___ 4th ___ 5th ___ 6th ___** minor fund-raising activity for the school year that I have requested for this group.

Are items being sold taxable? Yes ___ No ___

Expected Profit

Estimated Revenue	\$
Less: Estimated Cost of Fund-Raiser	\$
Equals: Estimated Profit (Net Proceeds)	\$

With this Permission Request, submit details of the fund-raiser to be held such as the brochure, flyer, t-shirt or product design, and any other pertinent information.

As the sponsor of this fund-raiser,

- I agree to conduct this fund-raiser in compliance with district policies.
- I understand that I am personally responsible for all funds collected and for keeping accurate records.
- I will exercise strict control over all products in my possession.
- I will provide all money received along with the name and amount turned in by student to the campus secretary daily for deposit.
- I will have all expenditures paid through the campus secretary.
- I am responsible for completing the Operating Report for this fund-raiser and will turn in all records to the financial secretary within one week of the projected end date of the fund-raiser.

Sponsor: _____

Requesting Permission Date: _____

Approved: _____ Principal

Approved: _____ Superintendent

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Operating Report

Operating Report Completed by:

Sponsor/Person Responsible for Fund Raiser

Date

Submit the Operating Report to the Campus secretary no later than one week subsequent to the projected end date of the fund-raiser. For PTOs and Booster Clubs, submit the Operating Report to your Treasurer.

Verification by Campus Secretary:

- To verify the Operating Report,
- Review the pertinent attachment depending on the type of fund-raiser held.
- Determine if products and amount collected have been accounted for properly.
 - Agree collections on the operating report to the deposits made.
 - Agree the disbursements for the fund-raiser to the vendor invoice(s) and purchase orders.

Any discrepancies noted? Yes ___ No ___

If yes, describe any discrepancy noted.

Attach a written response from the Sponsor/Person responsible for the fund-raiser concerning any discrepancy noted. Response should be signed and dated by the person providing it.

Campus Secretary _____

Date _____

Reviewed and Approved by:

Principal or Designee _____

Date _____

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Operating Report

Organization _____

Fund-Raiser _____

Total Collections from Fund-Raiser: _____

Date	Receipt #	Description	Amount
			\$
		Per Attached List	
Total Collections			\$

Total Disbursements for Merchandise, Advertising, Prizes, etc. for Fund-Raiser:

Date	PO#	Payee/Vendor	Amount
			\$
		Per Attached List	
Total Disbursements			\$

Profit (Net Proceeds) from Fund-Raiser:

Total Collections: _____

Total Disbursements: _____

Sponsor/Person Responsible for Fund-Raiser: _____

Date: _____

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Ticket Events with Entry or Participation Fees

Ticket Reconciliation

(For Athletic, Band, or Drama Events with Entry or Participation Fees)

Based on the beginning and ending ticket numbers and less any complimentary tickets, determine the number of tickets sold.

Description	Beginning Ticket #	Ending Ticket #	Less: # of Comp. Tickets	# of Tickets	Sales Price	Total Sales
Ticket Type 1						
Ticket Type 2						
Ticket Type 3						
Ticket Type 4						
Total Sales from Tickets						

If any complimentary tickets are given, attach list of people that received the complimentary tickets. Ticket stubs must be kept as part of the fund-raiser records.

Total Reconciliation

Do the Total Sales from Tickets agree to the Total Collections on the Operating Report?

Yes ___ No ___

If No, the amount of difference is \$ Explain the difference below.

Sponsor/Person Responsible for Fund-Raiser

Date: _____

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Concessions Concessions Reconciliation

Based on the beginning and ending inventory of each type of product and less any complimentary products given, determine the number of products sold.

Type of Inventory	Beginning Inventory	Ending Inventory	Less: Comp. Products	# of Products Sold	Sales Price	Total Sales
Product 1						
Product 2						
Product 3						
Product 4						
Product 5						
Product 6						
Product 7						
Product 8						
Product 9						
Product 10						
Per Attached List (if needed)						
Total Sales						

If any complimentary products are given such as for workers, attach a sheet listing the people who received the products and the products they received.

Total Reconciliation

Do the Total Sales from Concessions agree to the Total Collections on the Operating Report?

Yes ___ No ___

If No, the amount of difference is \$ Explain the difference below.

Sponsor/Person Responsible for Fund-Raiser

Date

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Catalog / Product Sales

Inventory Reconciliation *(For wrapping paper, candy sales, gift items, t-shirts, Gold C Books, or Entertainment Books)*

Description	# of Items	Total Sales Amount (# of Items x Sales Price)
Items Received from Vendor		
Less: Items Returned to Vendor (Attach Credit Statements)		
Less: Items Distributed, But Money not Received (Complete Section for Students that Owe Money)		
Less: Items Remaining on Hand		
Items Sold / Total Sales of Products		

For sales involving multiple products, you may want to do the above analysis for each product separately, utilize the overall tally sheet for the orders, or complete only the Total Sales Amount column.
 For items remaining on hand, where are the items stored and what is the expected disposition of these items?

Total Reconciliation

Do the Total Sales of Products agree to the Total Collections on the Operating Report?
 Yes ___ No ___

If No, the amount of difference is \$ Explain the difference below.

Students that Owe Money from the Fund-Raiser

Student ID #	Student Name	Amount	Disposition
	Per Attached List (if needed)		
Total Amount Owed by Students			

Students that owe money for a school or school organization fund-raiser should have the amount owed added to the Fines and Fees List for the school. The Fines and Fees List cannot be used by PTOs or Booster Clubs.

 Sponsor/Person Responsible for Fund-Raiser

 Date

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SIGNING VENDOR CONTRACTS FOR SERVICES OR GOODS (Fundraisers)

School Sponsored:

Request certificates of insurance from your vendors as evidence they have met the district's insurance requirements. School principals are the only authorized district personnel able to contract in the district's name with vendors on the campus level. Carefully read the entire service and /or equipment contract you are being asked to sign. If it contains an Indemnification Clause, Hold Harmless Clause, or a Waiver of Liability Clause you are prohibited from signing it as it is. School districts are political subdivisions of the state and are not answerable for the negligence of their trustees, agents, or employees under the doctrine of governmental immunity. You cannot accept liability in the name of the district; nor can you waive the liability of others (your vendors against third party claims. Write-in "see Attachment" on the contract and add the following Attachment to the contract. Have the contractor acknowledge the attachment by signing it.

PTO's Booster Clubs, Other Organized Parent Groups Sponsoring:

Your group is a separate entity from the school district. PTO's booster Clubs, etc., are not protected from liability by governmental immunity. Carefully read the entire contract and /or service agreement you are being asked to sign by your vendor. Unless your group is covered by its own general liability insurance policy (either an annual policy or one-day event policy) by signing a contract that includes an Indemnification Clause, Hold Harmless Clause, or a waiver of Liability Clause, you are accepting, in the name of your group and its officers, **the risk for any and all losses** (property damage, bodily injury, personal injury, etc.) incurred or resulting from the event you are contracting for. The district and/or a thirds party claimant can hold your group financially responsible for losses to property and persons.

SPECIAL NOTE:

No district employee or fund raising organizer should ever sign any agreement that release the contractor or vendor of their legal responsibilities, unless the fund raising organization has purchased their own insurance for the event to cover ALL potential risks. **No school district employee can legally waive the district's rights to recovery, nor agree to hold a third party harmless.**

Attached are the approved insurance requirements for contractors/vendor of the district. PTOs and Booster Clubs are advised to secure the same evidence of insurance from all their contractors or vendors.

NEW: The Texas Department of Insurance requires that all amusement rides (including all continuous air flow inflatable rides/devices and various simulators) undergo an annual safety inspection. The amusement ride owner/operator is required to provide a photocopy of the current Inspection certificate to any sponsor or other person responsible for amusement rides publicly use. You are advised to make sure that each piece of equipment you are renting has a current inspection certificate (TCI form AR100). You can also go online to: <http://tdi.state.tx.us/commercial/documents/lcamcurrentsticker.pdf> o verify a piece's current certificate.

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Lamesa Independent School District

Date: _____

CONTRACT AND LEASE ATTACHMENT

Added as part of the contract between:

Lamesa Independent School District for:

Campus Name

And

Vendor/Contractor Business Name

For the following event: _____.

Pursuant to the laws of Texas, public school districts have no authority to indemnify and hold harmless from any public or any third party claimant. The Indemnification paragraph in the attached contract/equipment lease is unenforceable under Texas law.

Lamesa Independent School District (and organization sponsoring event) will be named as Additional Insured's by endorsement to the contractor's Commercial General Liability policy.

Lamesa I.S.D. Authorized Employee

Date

Authorized Signature of PTO/Booster Club
Event Sponsor

Date

Lamesa Independent School District

Vendor/Contractor Signature

Date