

## **Dexter Community Schools Internal Activity Accounts Fundraising Information**

Dexter Community Schools acts as the receiving and paying agent for all Internal Activity Accounts. Once the school district, or an individual representing an organization of the school district, is in the care and custody of funds, it becomes our responsibility to record, control, protect, and disburse the funds according to all applicable policies and regulations. It is critical that we have orderly procedures and internal controls in dealing with these funds in order to safeguard the funds and ensure that the student activity groups will receive the benefits sought.

The Business Office has developed comprehensive guidance and references. Please refer to the Business Office web page and follow the links to [Internal Accounts](#).

### **Purpose of Funds**

Each Internal Activity Account operates for a specific intended purpose and it is important that the Sponsor, the principal, and the Business Office understand the purpose of the funds. It is also important that your parents and/or donors are informed what costs your fundraising efforts will be used to fund, before they participate in any fundraiser. In general all funds generated or procured by public bodies are considered public funds and must be used for educational and public purposes. However, if funds are generated specifically for non-educational purposes, and maintained separately, then they may be expended for their intended purposes.

#### Educational and public purposes

Supplementing classroom programs

Programs for students (Ice Cream Social, March is Reading Month, Field Day, Teacher Grants)

Scholarship awards to pay for student educational programs

#### Non-Educational purposes

Staff Recognition Events or Staff refreshments

Presents for employees

Beacons of Light or other non-educational assistance to students or families of students

Contributions or donations to other non-profit or community organizations

Flowers to the sick or departed

Parent Teacher Organizations and Booster Groups primarily rely on fundraising and donor contributions to supplement student learning experiences. Unless allowable and adequately communicated in advance, all fundraising and contributions are public funds and must be used for educational and public purposes only. Two questions should be asked 1) Does the donor or person we are collecting money from think the money, or any resulting commission from the sale, is going to support educational purposes? 2) Is the donor intending to write off the contribution as a Charitable Contribution? If the answer to EITHER of these questions is “yes,” then the resulting funds must be used for educational and public purposes only.

Fundraisers for educational purposes ONLY-- Busch's Cash for Education, Target Take Charge of Education, Meijer Community Rewards, Box Tops for Education, Campbell Labels for Education, Cartridges for Kids, Aunt Millie's School Spirit, and Tyson Project A are fundraising activities where the corporations are making donations for educational purposes. Other District-defined activities may provide small commissions for participation, such as Lifetouch Pictures. Monies raised through these

types of fundraisers must be used for educational and public purposes.

Fundraisers for educational or non-educational purposes-- Otis Spunkmeyer cookie sales, Art & Eat, and Wrapping Paper sales are fundraising activities where a group sells products and receives commission on the sales. Student collection for a cancer charity, student collection of pennies to help a struggling family, staff collection for office refreshments and coffee, and staff collection for flowers for the sick or deceased are collections for an intended purpose that may or may not be related to educational purposes. The resulting funds may be used to support the groups' mission, whether for educational or non-educational purposes. The group should clearly identify the intention of the fundraiser when publicizing the activity, in the announcement, flyer, and/or solicitation.

Monies raised should be directly deposited into the appropriate Internal Activity Account so monies intended to be used for non-educational purposes are held separately from the beginning. Funds can always be transferred from the non-educational account to the educational account, but not vice versa.

### **Local Civic Organizations**

Groups such as ABCD, Dexter Educational Foundation, Lacrosse Boosters, Hockey Association, Band Boosters, Dexter Little League, Youth Football, Soccer Club, and Touchdown Club operate as their own self-governing entities and are not under the direct supervision and control of Dexter Community Schools. While their purpose is to support the Dexter Community Schools, they have their own EIN tax identification number, operate independently, collect and manage funds independently, file any necessary state and federal reports, and may apply to obtain tax-exempt status under 501(c)(3) of the Internal Revenue Code.