

Mansfield Independent School District
Business Procedures Manual
Section 16
Fund Raising for Campus and Student Activity Funds

16.0 General Information

16.1 The following manual is written to assist in implementing effective and efficient fund raising procedures and to assist MISD personnel in complying with MISD Policies:

- CDC (LEGAL) – Other Revenues – Grants from Private Sources
- CFD (LOCAL) and CFD (LEGAL)– Accounting – Activity Funds Management
- EC (LOCAL) and EC (LEGAL) – School Day
- FJ (LOCAL) and FJ (LEGAL) – Gifts and Solicitations
- FMA (LOCAL) and FMA (LEGAL) – Student Activities – School-Sponsored Publications
- GE (LOCAL) and GE (LEGAL) – Relations with Parent Organizations
- GKB (LOCAL) and GKB (LEGAL) – Community Relations – Advertising and Fund Raising in the Schools
- GKD (LOCAL) and GKD (LEGAL) – Community Relations – Non-school Use of School Facilities
- GKDA (LOCAL) and GKDA (LEGAL) – Non-school Use of School Facilities – Distribution of Non-school Literature.

16.2 Procedures

16.2.1 In order to provide administrative control over the extensive fund raising activities promoted by various school organizations the fund raising application and fund raising financial recap must be used [These forms are to be completed online through Eduphoria]. The application provides detailed information concerning the fund raiser, which will aid the principal and business office in evaluating the request. The fund raising financial recap provides the financial results of the sale along with a qualitative evaluation, which will assist sponsors, principals, and the business office in future fund raising efforts.

16.3 Guidelines

16.3.1 Each 461 Campus Governmental Activity (GA) fund and each 865 Student Activity (SA) fund may, with principal approval, hold up to two tax free sale days within each calendar year.

16.3.2 Additional commission or service fundraisers that do not carry a tax burden as well as taxed fundraisers may be completed with principal's approval.

16.3.3 Funds collected by student groups shall be used only for purposes authorized by the organization or upon approval of the sponsor. The principal or designee shall approve all disbursements. All funds raised by student organizations must be expended for the benefit of the District/students and shall be related to the District's educational purpose. *(See Board Policy CFD Local.)*

16.3.4 Campus principals reserve the right to further restrict fund raising practices on their campuses. The District strictly enforces a policy limiting interruption of classes during the school day for nonacademic activities such as sales promotions. *(See Board Policy EC Legal.)*

16.4 Fund Raising Application and Recap

16.4.1 Before a campus or club can engage in a fund raising activity, the sponsor must complete a fund raising application which includes the Sponsor Acknowledgement of responsibility online in Eduphoria. AN APPROVAL MUST BE RECEIVED BACK FROM THE PRINCIPAL AND CENTRAL OFFICE BEFORE ANY FUND RAISING COMMITMENTS CAN BE MADE.

16.4.2 Complete and submit the fund raising financial recap online in Eduphoria within one week of the fund raiser's Ending Date of Sale. Future fund raisers will not be approved for the group or campus conducting the fund raiser without satisfactory completion of the fund raiser financial recap.

16.5 Approved Vendor List

16.5.1 Fund raising vendors must be on the approved vendor list in order for the fund raising application to be approved.

16.5.2 An updated approved vendor list is maintained on the MISD web page under Department>Purchasing>Current Vendor List.

16.5.3 If you would like to use a vendor that has not yet been approved, then please contact the purchasing department to explore the possibility of making them eligible. New fund raiser vendors must register at the following link: <https://misd.ionwave.net/Login.aspx>

16.5.3.1 Timing is very important in this process. Applications completed by the vendors will be taken to the MISD Board of Trustees each month for approval. Vendors are not eligible for use without Board approval.

16.6 Collection of Funds

16.6.1 Follow processes per the MISD Activity Manual at the following link:
http://www.mansfieldisd.org/uploaded/main/departments/business/assets/MISD_Activity_Fund_Accounting_Manual_15-16.pdf.

16.6.2 See Section 8 of the business and financial services manual for change funds and event start-up cash guidelines.

16.6.3 The collection of monies that takes the time of students or teachers during school hours is strictly forbidden, unless the monies collected represent payment for school lunches, monies that will benefit the school/students, or other authorized fees. *(See Board Policy FJ Local.)*

16.7 Commissions/Spirit Nights

16.7.1 Commission Sales are sales in which the fund raising vendor exclusively controls all sales and product in return for access to MISD stakeholders. Examples include Restaurant Spirit Nights and some sales in which the students or Student Activity Group is not acting as an “agent.”

16.7.1.1 The vendor will handle all taxes with their sales and will cut a commission check to your campus or student group upon completion of the fundraiser.

16.7.2 Fund raising application and fund raising financial recap processes must be followed for these sales. Vendors must be on the approved vendor list.

16.8 Sales Tax and Fund Raisers

16.8.1 When determining whether a fundraiser or other type of sale is taxable or non-taxable, the first consideration is whether the item is a taxable product. The following chart (**also found in section 10 of the business and financial services manual**) depicts examples of taxable and non-taxable items. If the item is classified as non-taxable, no sales tax should be assessed.

[Taxable, Non-Taxable Sales and Items Not Considered a Sale](#)

16.8.2 The next consideration is whether the school group is considered a bona fide student activity group (SA) according to State sales tax laws as stated below:

A bona fide chapter (SA) 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 SA 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 fund raiser qualifies for a tax-free day
- The basketball SA group qualifies, but the basketball team does not
- The cheerleader SA group qualifies, but not the cheerleader team
- The debate SA group qualifies, but debate teams and classes do not
- The French SA group qualifies, but French classes do not
- The senior class SA Group qualifies, but a class made up of seniors do not

16.8.3 If the sale is considered taxable and the school group is considered a bona fide chapter, then the organization may deem the sale as one of its two, one-day tax-free sales.

Each school district, each school and each bona fide chapter (SA) of each school is allowed to have two, one-day tax-free sales each calendar year. To qualify for a tax-free sale, the organization must receive products deemed for sale in one shipment or all sales must be completed on a single day. Any items received after the initial shipment date or sold after the designated day respectively must be taxed. During these tax-free sales, the organization may sell any taxable item tax-free when the price of the item is \$5,000 or less. There is no limit on the number of bona fide SA groups at a school or school district.

16.8.4 Exceptions

16.8.4.1 Book Fairs-The school shall collect sales tax on all taxable sales. If the school assumes responsibility for the activity and/or sales, the school is responsible for insuring the tax is paid. Schools may purchase books tax free for their own use because educational organizations have a statutory exemption. However, when students or other individuals purchase books, the purchase price is taxable and sales tax should be collected at the time of the sale. Sales tax is due regardless of whether the company makes the sale or the school makes the sale for a company on consignment.

16.8.4.2 Catalog/Brochure Sales- For sales in which the campus/student group is considered an "agent", the one-day tax free sale provision cannot be used. (The campus/student group serves as an "agent" when it takes orders for the vendor and then receives a commission or percentage of the sales revenue.)

16.8.4.2.1 If the catalog/brochure sales involve food, then orders may be taken at school as long as the foods being sold meet the Smart Snacks standards, are not intended to be consumed on campus during school hours, and as long as students receive permission from the school.

16.9 Community Service Fund Raisers

15.1.1 Students in grades 9-12 representing their schools may participate in charitable institution and community drives. Such participation, which shall be on a strictly voluntary basis, shall not disrupt the regular school day. No outside organization of any sort may solicit contributions of any type from students within the schools. (*See Board Policy FJ Local.*)

16.9.1 Proposals for any fund raising activity must be submitted in accordance with the procedures outlined above (fund raiser application).

16.9.2 The Board realizes that community service is an integral part of the instructional process. An established student organization (SA) may adopt a community project with an entity qualified under federal tax law to receive donations for charitable purposes. These organizations must file a copy of their approved 501(c)(3) status with the business and financial services department prior to the start of the fundraising activity. Adopted projects shall not benefit an individual or an organization without a 501(c)(3) status. Non-monetary donations to local government agencies (e.g. county dog shelters) may be acceptable. Approval will be made on a case-by-case basis.

16.10 Parent Organizations

16.10.1 Before parent groups working with the school purchase equipment for schools, including computer hardware, computer software, and playgrounds, they shall notify the principal. The principal then shall notify the business office. (*See Board Policy GE Local.*)

16.11 Donation (Memorial/Benefit) Funds

16.11.1 While all MISD student activity group donations must be made to an approved 501(c)(3), we recognize that sadly there are tragic events in which students and staff wish to directly support a fellow member of our

MISD family who have recently experienced a traumatic event. If the desire is tooo directly support an individual or family, then the campus principal should contact the business office. These monies will not pass through MISD accounts. It is preferable that donations be made directly to the donation account. With a student population we realize this is not possible in many cases. We will guide them through assisting the family in setting up a donation account per section 13 of the business and financial services manual.

16.12 Coin Collection Fund Raisers

16.12.1 Due to the difficulties present in handling large amounts of coin, both in terms of controls over the money and challenges in making deposits, we have discouraged this practice. Although we continue to encourage community service projects with an emphasis on civic service rather than monetary collections, we recognize that in certain circumstances such as national tragedies, the collection and donation of funds may be the most appropriate method.

The following procedures help to provide adequate control and lessen the burden placed on campus secretaries and bookkeepers:

- A sponsor or organizing individual must be designated at the outset of the project.
- During business hours, coin jars or other receptacles must be placed in an area which is easily accessible for others. In addition, a campus employee should be present at all times or the funds should be secured in the campus safe.
- After business hours, coin receptacles must be adequately safeguarded in the campus safe.
- Deposits of coins into a SA account should be made within a reasonable time frame - weekly where appropriate in one of the following manners:
 - Preferably, a representative from the recipient organization will pick-up the coin collections.
 - A fund raising financial recap must be completed. The campus representative and the recipient organization must sign the form detailing the donation.
 - If the recipient organization has an account at the bank (i.e. donation fund or Red Cross for hurricane relief), coin and other collections can be dropped off at the bank for deposit. Two campus employees should be present at the time of the deposit.
 - Since the District's contracted bank does not provide coin counting machines, coins can be placed in sealed tamper-proof deposit bags (available from the campus secretary) and submitted for pickup by the armored transport service. A blank deposit slip should be included in the tamper-proof deposit bags. A check may later be generated from the SA account to the recipient organization.

- If cash is collected, these funds may be secured in the campus' safe until such time as a deposit is made or the collections are picked up. Supporting documentation must be present such as a tabulation of monies form. (This is only acceptable if cash represents a small amount. Otherwise, a deposit into the SA account is more appropriate with a check later issued to the recipient organization.)

The collection of donations which include placement of jars, buckets, etc. for coin donations shall be limited to the following:

- National tragedies (for example - September 11th, Indonesian tsunami, Hurricanes Katrina & Rita)
- Jump Rope for Heart (or other similar curriculum related events)
- Approved Memorial/Benefit Funds
- Other possible collections of this nature will be evaluated on a case by case basis.

16.13 Raffles

- 16.13.1 Texas law allows only certain charitable and non-profit membership organizations to conduct raffles to support their charitable causes.

Mansfield ISD is NOT a “qualified nonprofit organization” able to conduct raffles. In turn, Mansfield ISD employees are not authorized or legally able to sell raffle tickets as representatives of Mansfield Independent School District. (*See Board Policy FJ Legal and FJ Local*).

A raffle is the awarding of one or more prizes by chance at a single occasion among a 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. Included in addition to traditional raffles are ‘donation’ for a chance to win, 50-50 games of chance, and drawing for gift cards. *Occupations Code 2002.002(6)*

Furthermore, raffle tickets may NOT be sold on school premises during regular school hours as per (*See Policy FJ LOCAL*). With the expressed written permission granted by Mansfield ISD, a charitable organization that is authorized to conduct a raffle under the laws of Texas, may sell tickets at special events outside the regular school day, including athletic competitions, fundraisers, concerts, etc. Only members of the organization may sell tickets. Students, employees, or parents that are NOT members of the organization are not to be involved in the selling of tickets.

16.14 Concessions

16.14.1 Fundraising by support organizations and Booster Clubs may not interfere or compete with the District's Child Nutrition Services nor can it violate the guidelines and requirements of the School Health Advisory Committee (SHAC) as per District policy, the National School Lunch Program or Texas law, especially the Foods of Minimal Nutritional Value (FMNV) requirements as governed by the Texas Agricultural Department. It is important to remember that the standards do not apply during non-school hours, on weekends, and at off-campus fundraising events, though local board policies still apply.

16.15 Door-to-Door Sales

16.15.1 Fundraising activities that encourage door-to-door sales techniques by students are allowed under the following provisions:

16.15.1.1 All fund raising projects shall have prior approval of administration and principal.

16.15.1.2 Students in grades K-6 are prohibited from participating in door-to-door sales without immediate and direct adult supervision. To help ensure personal safety, students participating in approved MISD fundraising activities should limit personal sales activities to family, friends and neighbors for whom they are already well acquainted.

16.15.1.3 Student participation in approved fund raising activities shall not interfere with the regular instructional program. (*See Board Policy FJ LOCAL*).

16.16 Off Campus Fundraisers

16.16.1 From time to time, fundraisers may be held off campus with the approval of the campus principal and/or superintendent. These fundraisers must still abide by the fundraising policies & procedures of Mansfield ISD and the organization conducting the event.