

511P Student Fundraising Procedure

I. Student Fundraising Procedures

Student fundraising activities are under school board control and are accounted for in the General Fund.

1. ACCOUNTING PROCEDURES

The school district will use student activity accounting guidelines set forth in the Manual for Activity Fund Accounting (MAFA) for fundraising events that are conducted **for** the students **by** the students. All other fundraisers that are supervised by district staff must be accounted for in the General Fund accounts.

2. FUNDRAISING GUIDELINES AND PROCEDURES

FUNDS TO BE ACCOUNTED FOR BY THE DISTRICT

1. Student Activity Fund

Student Activity Funds are accounted for in restricted accounts (Fund 51) under Board Control and follow MAFA guidelines. Student activity funds are used to account for money raised **by** the students **for** the students and are:

- Owned, operated, and managed by organizations, clubs or associations
- Within the student body
- Under the guidance and direction of faculty or staff members
- For educational, recreational, or cultural purposes
- Not of a curricular or co-curricular nature

Examples of student activities are:

- Yearbook
- Class Account
- Class Projects
- Student Clubs
- Student Council
- Athletic Groups

In the event fundraising proceeds exceed \$20,000 for an individual student activity within a calendar year, sales tax shall be collected on the proceeds in excess of \$20,000 and shall be remitted to the Department of Revenue.

See policy 713 Student Activity Fundraising.

2. Donations and Fundraisers for Curricular Purposes by Building

Donations and fundraisers held to fund curricular items like student field trips and classroom supplies and equipment, may be accounted for in a separate account (Fund 19). The activity in the accounts should be monetarily immaterial and the method for accounting for these

funds in the Fund 19 balance sheets accounts will be subject to annual approval by the district's financial auditor. Balances in these accounts carry over from year to year. Sales tax shall be collected and remitted to the Department of Revenue.

Examples of these accounts are:

- MS Magazine Fundraiser
- HS Athletics
- Stevenson 3rd Grade Field Trips
- Scrap Metal

3. Vending Machines

Vending machines operated on school property under the control of the board by virtue of the board approving the vendor contracts must have their proceeds to go a legitimate **activity**, not to an adult fund and not accounted for in the student activity fund. Therefore:

- a. **Proceeds from vending machines are deposited in the general fund;** and,
- b. Profits (from proceeds less expenses) from the general fund can be transferred to a student activity account **ONLY IF** the activity account is under board control, since that is the only way a transfer could occur.

4. School-Wide Initiatives

Money raised by staff, parents, and/or students of the school district to be used for curricular purposes is an appropriate fundraising activity. Principals and/or Directors should approve these activities in advance and have the authority to accept or reject fundraisers. No pressure sales are allowed, i.e. Melissa keeps a candy jar at her desk with a donation basket. She does not go desk to desk soliciting sales or donations.

3. FUNDRAISING ACTIVITY GUIDELINES

1. Allowable Events

- Games of Skill: include guessing the number of marbles in a jar, answering historical questions, a putting contest, etc.
 - You can sell employees a chance to participate in a game of skill.
 - You *cannot* have as a game of skill guessing the score or outcome of sporting events.
- Silent and Live Auctions:
 - You can conduct silent and live auctions for items

2. Disallowed Events

- Raffles where ticket are purchased for a chance to win in a drawing are not allowed under current state law
- Texas Hold 'em events
- Bingo
- Gambling activities of any kind are strictly prohibited per IRS rules. Raffles, football pools, poker tournaments, etc. all come under IRS guidelines and are not allowed.

3. Other

- No Homemade Food Items May Be Sold – only prepackaged, commercially sold items are acceptable.
- Activities and food served must align with the District Wellness Policy 533 and meet the MN Department of Health guidelines on food service and preparation.
- All posters or distributed flyers must be approved by the building principal and must clearly identify the soliciting organization.

FUNDS TO BE ACCOUNTED FOR *OUTSIDE* OF THE DISTRICT

1. Convenience Fund

Convenience funds are maintained at the request of and for the convenience of staff members of a district.

Examples of those funds may include

- Flower Fund
- Sunshine
- Faculty Fund
- Employee Coffee Fund

MAFA (Manual for Activity Fund Accounting) does not permit any inclusion of non-student accounts or convenience accounts in a student activity fund. There is no statutory authority for a school district to maintain accounts for the convenience of its employees. Maintaining those accounts may constitute an ‘in kind’ benefit provided to school district employees which is prohibited.

2. Community and Service Project Fundraising

Fundraising for external groups imbedded within a curricular program must be linked to a learner outcome as defined by the District.

- Students cannot be required to solicit donations or provide a donation in return for any consideration of their grades. Students may be asked to participate in other activities related to the fundraising activity.
- All Community and Service Project Fundraising is done at the individual students’ risk and project costs and fundraising proceeds/donations cannot be processed through the District. Furthermore, District employees shall not hold or handle fundraising proceeds/donations.
- As proceeds/donations and project costs do not qualify as District activities, proceeds/donations are not considered charitable giving to the District and the District’s sales tax exemption on project costs or sales does not apply.

3. Donations to be Redistributed

Funds that looks like student activity money, but is not, is the money given by an outside donor or company or agency to a school to redistribute to children or families based upon some criteria established by the outside group. For example, the Good Group of People may give the district \$5,000 each year to distribute to needy families during winter break. That is not taxpayer money to be accounted for in the general fund. It is not an unrestricted gift. It also cannot go to the **STUDENT** activity fund.

4. External Activity Funds

These funds that are sometimes mistaken as **internal** activity funds **must** be maintained through methods not associated with the school or school district.

Examples of those funds may include:

- Booster club activity account
- Parent-teacher (student) organization

These funds cannot use the tax identification number of a school or district and must be maintained outside the jurisdiction of the school or district.

5. External/Non School District Organizations

Activities that are coordinated by staff members, parents, or students during the school day, where the funds raised go to groups outside the school district i.e. American Cancer Society, are prohibited. It is not allowable to use district resources in promoting causes not related to the education of students. Any such activity should be done on the employees, parents, or students own time and with their own resources.

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