



# HUTTO ISD

## **Fundraising Guidelines**

The activity is a fundraiser when there is a collection of money for goods (yearbook, passbook, t-shirts, etc.), services (car wash), or event (play, concert, banquet, etc.). A fundraiser may make a profit, break even, or lose money. The activity may lose money when the cost exceeds the revenue.

### **Is There Information About Approved Fundraising Vendors?**

Campus Activity and Student Activity Fundraisers do not require approved vendors from the vendor list as long the district does not owe the vendor any type of payment.

## What Are The First Steps In Having A Fundraiser?

All fundraising projects must first be PRE-APPROVED by the principal and Finance Office. The Fundraiser Authorization Form must be completed and submitted. The fundraiser authorization form can be found on the Hippo Nation Website under the Financial Services webpage. Once the form is approved by all; the sponsor/teacher can begin their fundraiser.

## What Happens If A Campus/Department Forgets To Submit The Fundraiser Authorization Form ?

- All fundraisers must complete the necessary forms prior to the fundraising event. Failure to complete the necessary paperwork will result in consequences from the Finance Office.

## What Other Fundraising Guidelines Must Be Followed?

Once the fundraiser has been approved, if material/supplies need to be ordered, notify your campus secretary/bookkeeper.

- Materials/supplies **may not** be ordered without an approved purchase order.
- Once materials/supplies are received, an inventory must be taken (how many were ordered, received, how many were sold, returned, lost or damaged). What is the unit selling price.
- Maintain complete and accurate records of all funds received. Please complete the Tabulation Form.
- All funds must be counted and verified by two people and documented.
- All checks are to be made out to Hutto ISD.
- Deposits should be made as often as possible with no significant time lag between receipt of monies and the time it is turned in for deposit, usually weekly. Please complete the Deposit Form. The individual receiving the money directly from the buyer cannot prepare and record the deposit. Usually the bookkeeper/secretary prepares and records the deposit.
- The Fundraiser Profit/Loss Statement Form must be completed in its entirety on all fundraisers.
- Funds collected by student groups shall be used only for purposes authorized by the student club or organization.

## Can Students or Sponsors Earn Rewards for Participating in a Fundraiser?

- No. Gifts are not to be accepted by students for selling projects or by sponsors for participating in a fundraising project. Prizes in student activity projects are prohibited. However, a group (entire class, grade level, or school) may be rewarded for setting and achieving group fundraising goals. Fundraising competitions between groups is discouraged.

## Does Sales Tax Have to be Paid on Items Sold?

Educational organizations that qualify for exemption under the Texas State Tax Code and are classified by the IRS as 501 (c)(3), (4), (8), (10), or (19), and each chapter of the organization, may hold **two, one-day tax-free sales during a calendar year**. Sales tax information/calculator is available at [tax.help@cpa.state.tx.us](mailto:tax.help@cpa.state.tx.us)

One-day tax free day defined: a twenty-four hour period when the sale actually occurs or the delivery of the items that were sold.

1. If items are sold after this twenty-four hour period, sales tax must be collected from the purchaser for these items.
2. The school/campus and each student activity club are considered to be separate entities and each is allowed two, one-day tax-free sales during a calendar year.
3. Online sales are taxable sales, these sales are treated the same as sales made at the school or any other sales location.
4. Teachers and students must collect the sales tax on merchandise (other than food products) they sell. If the school assumes responsibility for the activity and/or sales, the school is responsible for insuring the tax is paid. The school may purchase items tax free and must collect the tax when the items are sold even if a profit was not made.
5. It is the responsibility of the individual school to maintain accurate records as to when the tax-free sales days are held, including the name of the organization and date of sale. The Finance Office will not maintain records containing this information.
6. The sale of food, including candy and soft drinks, is exempt from the sales tax when sold by an organization associated with a public or non-profit private elementary or secondary school, if:
  1. The sale is part of a fundraising drive sponsored by the organization; and
  2. All net proceeds from the sale go to the organization for its exclusive use.

NOTE: All Department of Agriculture Guidelines/Rules apply to the sale of food. Please visit [squaremeals.org](http://squaremeals.org) for more information.

## **Do I have to Consider Paying Sales Tax if a Profit Was Not Made on the Fundraiser or Sale of an Item?**

Yes. Sales tax must be considered whether the item is sold for a profit or not. The key factors in regard to paying sales tax are:

- The first transaction purchased by Hutto ISD from an approved vendor
- The second transaction is the sale of item to the end user (buyer). The sale price of the item can be below, more than or the same as the purchase price.

This can be a taxable transaction. If the sale does not qualify for a one-day tax-free sale as described above, sales tax must be calculated and applied to the fundraiser.

## **How Do You Distinguish Between A Fundraiser Led By A Student Organization Or By A PTA/Booster Club?**

Supervision of the activity is the primary determining factor.

**Student Organization:** The District staff member is organizing, controlling, and supervising the event. All proceeds will be deposited into the District's student activity account.

**PTA/Booster Club:** There is no District staff member supervising the event. The PTA/Booster Club is organizing, controlling, and supervising the event. All proceeds will be deposited into the PTA or Booster Club account. The responsibility of the fundraiser lies entirely with the PTA/Booster Club including: Ordering, Selling, Contracting with Vendor, Collecting/Depositing all Monies.

## Can Candy or Baked Items be Sold as a Fundraiser?

**Elementary Schools:** Cannot sell candy until after the end of the last scheduled class.

**Secondary Schools:** Cannot sell candy until after the end of the last scheduled class.

If a fundraiser is conducted on campus before or after school involving the preparation of food in the facility, Health Department guidelines must be followed. Food prepared prior to and brought to the facility does not fall within these guidelines (i.e., bake sale items).

Fundraisers involving food must comply with the foods of minimal nutritional value (FMNV) guidelines. Please refer to [squaremeals.org](http://squaremeals.org) for details or contact the Director of Child Nutrition for HUTTO ISD.

## Can Tickets Be Sold For Performances Or Banquets As A Fundraiser?

- This is considered a fundraiser if the gross receipts are expected to be greater than \$250 or have more than 100 in attendance, pre-numbered tickets should be utilized. A log must be maintained for all tickets issued with Pre-Numbered Ticket Sign- Out/Sign-In information. The information must include the following data: event name and date, beginning ticket number, date tickets checked out, signature of person receiving the tickets, date tickets returned and signature of person returning unused tickets, number of tickets sold, and number of complimentary tickets. Gross receipts must be reconciled to total tickets sold. Ticket sales should be conducted in a secure area.

## **Can a Grade or Class Raise Money to Donate to a Charitable Organization or local family?**

- Individual classrooms or grade levels cannot fundraise. Fundraisers can only be performed by bona fide student organizations or parent organizations. The student-initiated fundraiser must be completed as a community service project by a curricular or non-curricular club. Any fundraising project that is held for the sole purpose of donating the funds to a local family is discouraged.

## **Can Gift Cards be Sold as a Fundraiser?**

A campus may not purchase or sell gift cards as a campus activity fundraiser. Gift cards may be sold as a fundraiser by student organizations or parent organizations. The following should be considered:

- Must be sold for the face value of the gift card (Limit for value???)
- Pre-sells is preferred method
- Arrange for unsold cards to be returned to vendor
- If gift cards cannot be returned to vendor, the unsold gift cards need to be secured and stored for future sales. They cannot be given to staff.
- Inventory controls must be established and maintained

# Who Can Conduct A Fundraiser?

## Campus

Yes, a campus may have a fundraiser to benefit the campus, staff and students. The campus should not have a fundraiser for the sole purpose of accumulating funds in their campus activity account. Fundraising projects should not be used to fund curriculum-related activities. Campus fundraising projects should be organized, controlled, supervised and performed by District staff and not by PTA/Booster Clubs or other individuals.

## Students

Yes, but the student organization must have a student activity account established. If an organization needs to be established, an email from the Principal or Director will need to be sent to the Finance Director to request that the organization be established. Student organization fundraisers should be organized by the student club; controlled and supervised by the sponsor; and performed by the student club.

## PTA's/Booster Clubs

Yes, they can have a fundraiser and are encouraged to use District approved fundraising vendors. They must have their own 501(c)(3) exempt status and cannot purchase in the name of the District. They are subject to state and federal laws as well as district policies and guidelines and must meet legal requirements. PTA's/Booster Club fundraisers should be organized, controlled, supervised and performed by PTA/Booster Club members and not by District staff.

## What Kind Of Fundraisers Are Prohibited?

(Reference Policies: FJ-LEGAL, FJ-REGULATION, GE-LOCAL)

- Charitable Raffles: The District is not a qualified nonprofit organization and shall not sponsor or conduct raffles. (Policy FJ-LEGAL)
- Door-to-Door Sales: Are strictly prohibited for elementary students and strongly discouraged for students in Grades 7-12. (Policy FJ-LOCAL)
- Telephone Sales: Are strongly discouraged.
- Curriculum-Based: A fundraiser cannot be held to underwrite the cost of supplies or materials for a curriculum function. Fundraising activities shall not interfere with the instructional program or time. (Policy FJ-LOCAL)
- Outside Organizations: Outside organizations may not solicit contributions of any type from students within the schools. Students may participate in charitable institution or community drives on a strictly voluntary basis and shall not disrupt the regular school day.

## Can A Fundraiser Be Held To Donate To A Charitable Organization?

**Student Organizations:** Yes, a student-initiated fundraiser must be adopted as a community service project. The charitable organization should be thoroughly checked before the organization is adopted and should ensure they are a 501 (c)(3) organization. All policies and guidelines must be followed.

**Campus:** A campus may NOT donate to a charitable organization using campus activity funds.

## SALES TAX DECISION TREE

