

SECTION 1 GENERAL INFORMATION

1.1 Purpose of Activity Funds

The Superintendent or designee shall ensure that a school maintains student activity accounts in a trustee capacity, or as an agent for students, club organizations of the campus, teachers, and the general administration of the school. These funds including vending machines, rentals, gate receipts, concessions, and other local sources of revenue over which the District has direct control shall be expended for the benefit of the District or its students and shall be related to the District's educational purpose. The accounting procedures for the activity funds are delegated to each school and must comply with the guidelines and procedures required by this section.

1.2 Responsibility for Activity Funds

The school principal is responsible for the proper collection, disbursement and control of all activity fund monies. This responsibility includes:

1. Providing for the safekeeping of monies.
2. Proper accounting and administration of fund transactions.
3. Compliance with applicable state laws, local board policy and administrative guidelines.
4. Adequate training and supervision of all personnel designated by the principal to administer activity funds.

Funds from booster and parent organizations are not to be accounted for in the school's activity fund, therefore, the principal is not responsible for funds collected, disbursed, and controlled by these organizations.

1.3 Audit of Activity Funds

Activity Funds are audited periodically by the district's internal auditor. In addition, an audit is to be performed whenever there is a change in principal or financial clerk. The principal may request in writing a special audit if a situation or event warrants. These funds will also be audited annually by the district's external auditor.

1.4 Retention of Records

All records should be kept current and in good order for a period of five years and available for audit at any time.

SECTION 2 BANKING PRACTICES AND PROCEDURES

2.1 Bank Accounts

1. Each school shall have only one checking account which shall be entitled "Name of School" Activity Fund. This account title must be imprinted on all activity fund checks and deposit slips. All monies received will be deposited into this account, and all disbursements will be made by a check drawn on this account.
2. Only activity fund transactions may be directed through the activity fund bank account. Transactions controlled by the lunchroom or by outside organizations such as the PTA or Booster Clubs must be handled through separate bank accounts, and are the responsibility of the organizations themselves.
3. The Business Office will be responsible for investing activity funds according to the district's investment policy.

2.2 Check Signatures

1. All checks must have two signatures, one of which must be the principal.
2. Each check shall be manually signed.
3. Under no circumstances shall checks be pre-signed. No signatures shall be affixed until the check has been completed in its entirety.

2.3 Bank Reconciliation

1. One of the most important aspects of each school's secretary or bookkeeper's job is the prompt reconciliation of the activity fund bank account. It is the principal's responsibility to see that the secretary or bookkeeper has adequate time to complete the bank reconciliation each month.
2. Upon receipt, the bank statement shall be reconciled to the check register and general ledger, and the following reports must be generated for that month:
 - a) General Ledger
 - b) List of Receipts
 - c) List of Checks
 - d) List of Transfers
 - e) Bank Reconciliation

3. A copy of these reports must be signed by the secretary or bookkeeper, as well as the principal, and forwarded to the Business Office. Retain a copy for the school files as well.

SECTION 3 ACTIVITY FUND ACCOUNTS

3.1 Account Codes and Titles

Each account should be assigned a permanent account number as follows:

<u>Range of Account Numbers</u>	<u>Type of Accounts</u>
100 – 199	Clearing Accounts
200 – 299	NISD Clearing Accounts
300 – 399	Faculty
400 – 499	Misc./Student Organizations
500 – 599	Student Council
600 – 699	Clubs
700 – 799	Resale Accounts

When a new account is created, the Business Office should be given the account title, the assigned account number and a description of the purpose of the account. If a school has questions as to what category a new account falls under, the Business Manager should be contacted for clarification.

3.2 Clearing Accounts (100's)

A general clearing account should be used by the schools and is designed to zero out periodically. Examples include:

1. Collections from students for books or publications, such as Weekly Reader
2. A one time transaction
3. Money that is collected and paid out for the purpose for which it was collected

3.3 NISD Clearing Accounts (200's)

A general clearing account should be designed for collection of funds that will be reimbursed to the district at year's end. Examples include:

1. Lost textbooks
2. Lost library books.

3.4 Faculty Funds (300's)

These funds are collected *from* the faculty for ultimate use *for* the faculty. Examples include:

1. vending machines
2. coffee
3. flower funds

3.5 Miscellaneous Funds / Student Organizations (400's)

This account is for miscellaneous funds collected and requires the principal's approval for expending. Examples include:

1. vending machines
2. annuals
3. school pictures
4. Cheerleaders

3.6 Student Council (500's)

These funds are the Student Council's responsibility and require the principal's approval. In addition, the Student Council must elect officers and keep minutes of all meetings in which expenditures are approved.

3.7 Clubs (600's)

These accounts consist of funds collected by students for the purpose of financing legitimate and beneficial activities and projects. These funds belong to the clubs and are held by the school for safeguarding as well as convenience.

All expenditures of the monies must be approved by the members and sponsor(s) of the club according to the rules of the club. Any donations to the club by any person or group, such as Booster Club, must be deposited first into the activity fund in order to have adequate records of transactions. In addition, a letter from the donor stating the amount and purpose of the donation must be provided.

The sponsor of each school club is required to maintain adequate financial records of all cash received by the club for

fees, dues, fund-raising activities, etc. These records are subject to review during the audit of the school's activity funds.

All cash collections received by the club must be recorded on duplicate pre-numbered receipts or a cash collections form. All collections must be deposited in the school activity fund.

3.8 Resale Accounts (700's)

Certain activity fund accounts (Resale Accounts) are created at each of the secondary schools for the purpose of gathering payment for purchasing items used in their program that were originally purchased by the school district. A separate activity fund account should be provided for each RESALE ACCOUNT listed in the budget. At the close of each fiscal year, all funds collected and deposited in these accounts should be transferred to the district's accounts. If the amount of money to be transferred from the activity fund account does not equal the level of expenditures in the resale account, then a written transmittal of the value of the inventory on hand should accompany the transfer of funds. If the figures still do not balance, the principal shall provide a written explanation to explain the difference.

SECTION 4 ACTIVITY FUND PROCEDURES

4.1 General Receipting Procedures

1. All cash and check collections must be recorded in triplicate by the person receiving the money as follows:
 - a) Original copy to the person submitting the money
 - b) Duplicate copy should be retained by the school for file copy
 - c) Triplicate copy should be attached to deposit
2. The receipt must be completed in its entirety, including:
 - a) Date and amount
 - b) The individual or firm submitting the money
 - c) An explanation of the purpose for which the money was received
 - d) The activity fund account number
 - e) The manual signature of the person receiving the money (signature stamps are forbidden)
3. An actual cash count should be made by the person signing the receipt in the presence of the person turning in the money.

4. Post-dated checks cannot be accepted from any source.
5. Under no circumstances shall a cash receipt be altered. If an error occurs, VOID the original receipt and all copies and issue a new receipt. The original of the voided receipt must be attached to the copies and retained for audit.

4.2 Receipt of Money by Persons Other than the Cash Receipt Clerk

1. An authorized individual other than the Cash Receipts clerk (i.e. teachers, librarian, clerks, etc.) may collect money, but only as approved by the principal for such items as books, student fees, fund-raising activities, etc. The authorized individual must account for the monies collected as follows:
 - a) Tabulation of Monies form must be completed with all information provided.
 - b) In some cases, the authorized individual may issue cash sub-receipts to payers for monies collected.
 - c) Collections shall be submitted to the Cash Receipt Clerk weekly or whenever the aggregate amount of such collections exceeds \$50.00.
 - d) A copy of the Tabulation of Monies form shall be sent with monies collected to the Cash Receipt Clerk who will count the funds in the presence of the depositor and prepare an activity fund cash receipt once the deposit total is verified.

4.3 Deposit of Funds

1. General Operating Procedures
 - a) Deposits must be made whenever cash collections exceed \$1,000 for secondary schools and \$500 for elementary schools. In addition, deposits should be made on Fridays (except in the case of holidays) even though the cash on hand does not exceed the maximum allowable.
 - b) All checks for deposit shall be endorsed as follows: ... For Deposit Only... "Name of School" Activity Fund... Account Number. It is recommended that all checks be endorsed at the time they are receipted or accepted.
 - c) All cash receipts supporting cash deposits shall be issued *in numerical sequence*.

- d) Re-deposits of returned checks must be deposited separately from other funds collected.
- e) All monies on hand at the end of the school year should be deposited prior to closing the books for the year.

4.4 Procedures for Preparation of Bank Deposits

1. A bank deposit slip shall be prepared in duplicate and shall include the following:
 - a) The date and amount of the deposit
 - b) The cash receipt number(s) issued that make up the deposit
 - c) A listing of each check in the deposit
2. The bank retains the original deposit slip. The duplicate is validated by the bank and returned at the time of deposit. The Cash Receipt Clerk should verify the validated amount.
3. The sum of the amounts of the supporting cash receipts must agree with the amount of the deposit slip.

4.5 Cashing of Checks

1. The practice of cashing personal and/or payroll checks within the district should not be allowed.

SECTION 5 TRANSFER OF FUNDS BETWEEN ACTIVITY ACCOUNTS

5.1 General Policies

1. Some activity accounts are established for the single purpose of isolating transactions for a specific activity, collection, solicitation, etc., thereby enabling the profitability of the activity to be determined; a Picture account and Candy Sale account would be two examples. Net proceeds remaining in such an account must be transferred to the account approved on a Transfer of Funds form (BUS-B). For example, if pictures were taken to provide funds for new library books, then the net proceeds (balance in the Picture account after all remittances to the studio, etc.) should be transferred to the Library account on a Transfer of Funds form.
2. Some activity accounts are expected to be revenue producing by the very nature of the accounts. Receipts almost always exceed possible expenditures, and the balance in such an account will increase

indefinitely unless some disposition is made of the excess revenue. For example, vending machine revenue should be transferred, at the option of the principal, to accounts for student-related purposes.

3. Occasionally a club will compensate another school organization for goods purchased or services performed. For example, this may occur when a club purchases advertising in the yearbook, newspaper, etc. A transfer of funds shall be made between accounts in such instances in lieu of issuing an activity fund check.
4. Likewise, a club may desire to make a voluntary donation or contribution to partially defray the expenses incurred by another club. In such cases, the contribution shall be effected by an internal transfer of funds.
5. Transfers require *written* approval of the principal and club sponsors when the transfer involves accounts with delegated responsibilities.

5.2 Documentation of Transfers

1. Each transfer shall be initiated with a Transfer of Funds form disclosing both the amount and the reason for the transfer.
2. When all required approvals have been obtained, the secretary or bookkeeper may proceed with the necessary transactions.
3. All copies of the Transfer of Funds form shall be filed with the school activity fund records.

SECTION 6 RETURNED CHECKS AND REDEPOSITS

6.1 Returned Checks

Occasionally, a previously deposited check is returned by the bank for a variety of reasons. A check may be returned for improper signature, insufficient funds, or account closure. When a check is returned by the bank, the following procedures shall be followed:

1. The secretary/bookkeeper shall immediately notify the maker of the returned check and request that it be redeemed *with cash* in addition to a \$25.00 fee.

2. Under no circumstances should the returned check be surrendered to the maker except in return for cash.
3. No checks shall be accepted from a party who has not redeemed a previously returned check.
4. When the district has received two returned checks from a party, the district may elect to accept only cash from that party.
5. Retain all bank memorandums in the school files.

6.2 Re-Deposits

1. Prepare a separate deposit disclosing date and amount of re-deposits, name of the maker of the returned check, and the previous cash receipt number or the activity account where the check was originally deposited.
2. DO NOT issue a cash receipt since such action would constitute a duplication.
3. If a person redeems a returned check with cash, give him/her the returned check as his receipt. (Keep photocopy for records.)

6.3 Uncollected Checks

1. Individual schools are responsible for the collection of returned checks. Once the bank returns the check to the campus, an informal phone call or letter should be sent to the originator of the check with 5 business days to respond. A **\$25 fee** and the **total amount of the check** should be requested.
2. If the school receives no response after 5 business days, then a formal letter should be sent to the originator of the check with 10 business days to respond. This letter should be sent by Certified Mail to the last known mailing address of the originator and should contain the check number, date and amount of check. **DO NOT SEND ORIGINAL CHECK!** The letter should stipulate the check has been returned and unless payment is received within 10 business days, the check will be turned over to the Justice of the Peace.

3. If the second attempt fails, send copies of your notes and letter, along with the check, to the Business Manager. The checks will then be forwarded to the Justice of the Peace for collection. Attempts should be made to collect returned check of less than \$25.00 by the secretary/bookkeeper until the close of the school year.
4. If a collection is made at the Justice of the Peace's office, a check will be made payable to the school for the amount received.
5. If no collection is made, the NSF check will be written-off by the Business Manager.

SECTION 7 DISBURSEMENTS

7.1 General Policies

1. All expenditures shall be paid by check from the activity fund checking.
2. Income *received* from a specific group (student and faculty) should be *expended* for that group. The principal shall ensure that expenditures from these accounts are written for the intended purpose of the group.
3. The principal shall approve no expenditure of funds unless sufficient funds are available in the appropriate fund account, or unless funds are anticipated at a later date in the appropriate activity fund account.

7.2 Request for Check

1. A completed Request for Check form (BUS-C) shall be the authority for the issuance of an activity fund check, and must be completed *prior* to issuance of a check.
2. A completed Request for Check form shall include:
 - a) The payee
 - b) Date and amount
 - c) Signature of person requesting check
 - d) A brief description of the purpose of the request
 - e) Activity account number to be charged
 - f) Approved signature of the principal
 - g) Check number (when approved)

3. The Request for Check form shall be attached to the supporting documentation and kept on file for audit purposes. Proper supporting documentation shall include:
 - a) Vendors' *original* invoices;
 - b) Sales slip or cash register tapes (in addition to receipts) from teachers or other employees who request reimbursement for items purchased from their own funds;
 - c) Other supporting documentation, which may include letters, announcements and renewal notices when invoices are not provided by the vendor
4. Request for Check forms for advance purchases may be completed without supporting documentation. However, permanent documentation must be attached later in support of the advance payment. Also indicate on the Request for Check form the receipt number, if monies are returned which have not been spent.

7.3 Issuance of Checks

1. The principal shall approve expenditures only when funds are available in the appropriate activity account. Thus, no check shall be drawn on any account with a negative balance unless funds are anticipated at a later date in the appropriate activity fund account.
2. All payments shall be made by pre-numbered activity fund checks.
3. All activity fund checks must be manually signed by two authorized check signers.
4. Payments must always be made to a specific person, company or organization. Checks shall NEVER be made payable to "cash".
5. Under no circumstances shall checks be pre-signed by an authorized signer.
6. All checks must be typewritten or computer-generated.
7. VOIDED checks shall be attached to the appropriate check stub.

7.4 Advance Payments

1. Advance payment may sometimes be requested for necessary expenses to be incurred by clubs or other student groups engaged in travel.
2. The Request for check form shall indicate that the check is for a travel advance.
3. Upon completion of the activity, the sponsor shall return any unused funds to the bookkeeper or secretary for issuance of a receipt. All supporting documentation shall be returned at that time and attached to the original request for check form.
4. The settlement of all advances shall be completed no later than ten (10) days after the completion of the activity for which the advance was made, except in cases deemed necessary by the principal. In all cases, settlement should be attained prior to the end of the school year.

7.5 Supplemental Payments to Employees for Services

The principal may occasionally compensate district employees for additional services performed. Such auxiliary services are those performed by the employee in addition to his/her normal, specified duties (normally outside of regular work hours). Such payments should not be made directly to the employee. The correct procedure is as follows:

1. Complete a Services Rendered form.
2. Issue an activity fund check payable to Nederland I.S.D. in the amount of the supplemental payment.
3. Send the Services Rendered form and the check to the Business Office to be included with the next payroll. Forms received by the 1st of the month will be paid on the 10th payroll, and forms received by the 16th of the month will be paid on the 25th payroll.

7.6 Payments to Non-Employees for Contracted Services

1. Same process as **7.5 Supplemental Payments to Employees for Services**. Disbursement checks are paid on Fridays

SECTION 8 PURCHASING POLICIES AND PROCEDURES

8.1 Purchases from Activity Funds

1. The school principal is fully responsible for all purchases and commitments requiring the present or future disbursement of activity fund monies. Teachers must have a commitment from the school principal before making any purchase in the name of the school.
2. No purchase shall be made unless sufficient funds are available in the proper activity fund account or will be available at a later date within the current fiscal year.

8.2 Competitive Bidding Requirements

The guidelines presented below serve as an introduction to making purchases through the activity fund.

1. Purchases under \$5,000 may be implemented in the most expedient manner available to the principal.
2. Price quotes are strongly recommended
3. Purchases of \$5,000 or more must comply with the NISD regulations in obtaining three price quotes. A requisition will be initiated to make the purchase, and the school activity fund will be invoiced for payment.

Upon request, the NISD purchasing department will assist in quote, bid and contracting processes by:

- a) Supplying information on existing contracts
- b) Publishing, receiving and tabulating quotes and bids for review and recommendation to the business manager
- c) Reviewing contracts to be signed

SECTION 9 FIXED ASSETS

9.1 Definition

Fixed assets are purchases or donated items that have a unit value of \$5,000 or more. These items will be controlled through a physical inventory and will be depreciated over the years. Inventory assets are purchases or donated items that are tangible in nature, have a life longer than two years, have a unit value of \$500 or more, and/or may be reasonably identified and controlled through a separate physical inventory system.

9.2 Activity Fund Purchases

It is required that activity fund purchases of fixed assets or inventory assets be added to the school inventory. The school should submit a memorandum to the Business Office requesting that the item be tagged for inventory.

9.3 Donations

1. The Board of Trustees must approve donated fixed assets, as well as all other donations. Approval may be granted once a Request for Acceptance of Gifts Online Form is submitted to the Business Office by the principal or department head.
2. Donated fixed assets must also be added to the school inventory by submitting a memorandum to the Business Office requesting that the item be tagged for inventory.

SECTION 10 VENDING MACHINES

10.1 General Policy

The school principal shall control revenue collected from vending machines throughout the school. These revenues shall be processed through the activity fund.

10.2 Vendor-Serviced Machines

A school may contract with a firm whereby the vendor agrees to service the machine and collect the money. The school then receives a periodic commission check from the vendor. The school is required to establish a miscellaneous account (400 number) named "Vending". Vending machine profits (i.e. commission checks) may be placed directly into this account.

10.3 General Operating Procedures

1. Revenue from vending machines must be collected and receipted on a regular basis.
2. The principal is responsible for providing the maximum security available for vending machine inventories.
3. Funds shall be disbursed from the individual vending machine account only for the purchase of vending machine supplies and maintenance or rental of the machine(s).
4. Vending machine profits may be transferred to other accounts with the approval of the principal for expenditures generally permissible from that account.

SECTION 11 FUND-RAISING ACTIVITIES

11.1 Definition of Fund-Raising Activities

A fund-raising activity may be defined as any activity involving participation of a student body or a school-recognized student group undertaken for the purpose of acquiring funds for a school or a school-sponsored group.

11.2 Fund-Raising Activities for a School

1. General

- a) Fund-raising activities are not confined to regular school hours, but are considered an extension of the school program. When fund-raising activities are in the name of the school, all funds raised become school funds, belonging to the school-sponsored group that raised the money.
- b) To request permission to conduct a fund-raising activity, the club sponsor should complete the Fund Raiser Request online form. If an NISD building is to be used to house the fundraiser, a Request for Use of Facilities online form must be completed.
- c) All requests submitted will be approved by the principal/assistant principal and the superintendent or designee.
- d) At the elementary level, door-to-door fund-raising by students in activities sponsored by the school or by a school-related organization is prohibited.

2. Accounting for Fund-Raising Activities

- a) Collections and Disbursements:
 - i. All collections must be receipted and all payments must be made in accordance with Sections 4.1 and 4.2.

- ii. All collections and disbursements associated with any fund-raising activity coordinated by the school or a school-recognized student group shall be transacted through the activity fund.
- b) Upon completion of fund-raising activities, the Financial Recap Section of the Fundraiser Request form should be completed by the sponsor, with the original to be filed with the activity fund bookkeeper/secretary and a copy to be retained by the sponsor. This report should indicate total collections and expenses incurred relative to the fund-raiser, such as advertising, sales tax, prizes, etc. Disposition of the net proceeds (profits) should also be disclosed if funds were collected for a specific purpose. The person requesting permission to conduct the fund-raising activity should prepare the report.
- c) The club sponsor or activity chairperson is responsible for keeping accurate records for all money raising activities. Such records should include at minimum:
 - i. Distribution lists
 - ii. Daily collection reports
 - iii. Tabulation of sales tax collections
 - iv. Original cash receipts received for money turned in to the bookkeeper/secretary.
- d) At the conclusion of the fund-raising activity, all records should be turned in to the bookkeeper/secretary with the original copy of the Financial Recap form and retained for audit purposes.

MODEL CROWDFUNDING POLICY

This is a model crowdfunding policy and regulations for K-12 education. The model is not static. It evolves with industry best-practices, DonorsChoose.org experiences and insights, and recommendations and input from stakeholders such as AASA, NSBA, CCSSO, ASBO, school administrators, state auditors, and other critical partners.

There are two sections to the document. Part A provides a condensed crowdfunding school board policy. Part B offers an extended school board policy with more explicit guidance. Many school boards may consider Part B more appropriate for regulations.

Part B is made of four sections. Section 1 defines crowdfunding. Section 2 identifies cross-cutting responsibilities of eligible staff. Section 3 identifies the criteria required for eligible district-approved crowdfunding services. A district-approved crowdfunding service allows teachers to use the service without prior approval for each classroom project. Section 4 lists approval requirements for staff seeking to use a service that is not on the pre-approved list.

A. Condensed School Board Policy

This policy defines “crowdfunding” as an Internet-based request for resources from individuals and organizations to support activities or projects that enhance an educational program.

Teachers may only use crowdfunding services that have at least a three-star rating on Charity Navigator. All crowdfunding classroom-projects must: support the school’s priorities as established by the principal; align with the district’s technology plan and requirements (as applicable); not receive cash payments to district personnel, exempting reimbursement to teachers for verified reasonable project costs; comply with applicable federal and state student privacy laws; provide status reports to the school’s principal upon commencement and delivery of materials and resources to the school site; and materials and supplies must become the property of the school.

Employees that launch crowdfunding campaigns in violation of this policy do so at their own risk and may not act-on-behalf or hold themselves out as acting-on-behalf of their school or the district.

B. Expanded School Board Policy or Regulations

SECTION 1. Crowdfunding Definition.

This policy defines “crowdfunding” as an Internet-based request for resources from individuals and organizations to support activities or projects that enhance an educational program.

SECTION 2. Crowdfunding Responsibilities of Eligible Staff.

1. Eligible staff are teachers and front-line educators currently employed by the public school district.
2. The purpose of this crowdfunding policy is to support a teacher’s efforts to enhance the district or school’s educational programming. Postings that describe the purpose and rationale for conducting the crowdfunding campaign may not negatively reflect upon the District, its programs and services, its staff, or its students.
3. All posting must comply with applicable federal and state student privacy laws, including the FERPA, IDEA, and applicable laws and regulations.
4. Postings may not include identifiable student images without prior parental permission.
5. Eligible staff posting projects must consult with appropriate district personnel to ensure desired technologies align with the district or school’s technology plan and requirements.
6. The school principal or district administrators ARE NOT REQUIRED to pre-approve classroom projects posted by eligible staff to approved sites meeting the requirements of Section 3 (VALIDATE CROSS-REFERENCE).
7. The school principal or designated district administrators ARE REQUIRED to pre-approve classroom projects posted by eligible staff to non-approved sites in accordance with Section 4 (VALIDATE CROSS-REFERENCE).

SECTION 3. Pre-Approved Crowdfunding Services.

1. The Superintendent or designee shall identify approved crowdfunding sites for use by eligible staff.
2. Eligible staff may pursue crowdfunding classroom projects using approved sites/services without pre-approval for each project.
3. An approved crowdfunding services must:
 - a. Only allow currently employed eligible staff to create projects;
 - b. Have at least a three-star rating on Charity Navigator; 2
 - c. Prohibit cash payments to district personnel, exempting reimbursement to teachers for reasonable project costs verified by receipt submission to the crowdfunding service;
 - d. Protect the privacy of students in accordance with state and federal law, and district policy;
 - e. Provide individual unit/item cost and inventory reporting on the materials and supplies shipped to schools;
 - f. Track the shipment and delivery of materials to verified public schools with notification to the school principal;
 - g. Require the materials and supplies to become the property of the district or school, in accordance with district policy;
 - h. Require subsequent documentation of the project's educational benefit; and
 - i. Provide dedicated reporting for school district officials regarding the status of each request and the materials delivered to verified public schools.

Section 4. Non-Approved Crowdfunding Services.

1. Staff must seek prior approval from the Superintendent, Superintendent's designee, or the responsible school principal for each classroom project using a non-approved crowdfunding service.
2. Non-approved crowdfunding services must contain terms and conditions that are acceptable to the Board and consistent with Board policy and applicable laws and regulations.

SECTION 12 SALES TAX

12.1 Tax Free Purchases

All items purchased by the district for a school's own use qualify for an exemption from sales tax if the items purchased relate to the educational process. The Business Manager shall provide the seller a tax exemption certificate. To be valid, the certificate must state that the merchandise being purchased is for the organization's own use in providing education is being made in the name of the organization, and payment shall be made from the organization's own funds. *The school district should not reimburse employees for sales tax they paid on purchases made on behalf of the school district.* Purchases for their own use by individuals, even though connected with a school or school organization, are not exempt from the tax. Examples include cheerleaders purchasing their own uniforms, band members purchasing their own instruments and athletic teams purchasing their own jackets.

12.2 Exempt School Items

Public schools and school-related organizations *are not* required to collect sales tax on the following:

- a) Fees and admission tickets, if the event is entirely for educational purposes
- b) Student club memberships
- c) Sales of food and soft drinks that are
 - ◆ Sold or served during the regular school day
 - ◆ Sold or served by a parent-teacher association during a fund-raising sale, the proceeds of which do not benefit an individual

12.3 Taxable Sales

Public schools and school-related organizations *are* required to collect sales tax on the following:

- a) Supplies and Publications
 - ◆ School-purchased supplies sold directly to students including athletic equipment and physical education uniforms
 - ◆ Fees for materials when the end product becomes a possession of the student

- ◆ Student publications such as yearbooks and football programs
 - ◆ School pictures
 - ◆ Books sold to students at book fairs
- b) Sales by Teachers and Students
- ◆ 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 to the State Comptroller's Office. The school may purchase items tax-free and must collect the tax when the items are sold.
- c) Booster Clubs, PTA's, etc., are required to pay sales tax when purchasing taxable items unless they have established their own tax exempt status.
- d) There are no Tax Exemption numbers. Exemption certificates DO NOT require numbers.

12.4 One-Day Tax-Free Sales

Each school and each organization within that school, and each outside organization affiliated with that school are allowed to have two one-day tax-free sales or auctions during a calendar year. One-day tax-free sales mean that collection and remittance of state sales taxes is not required on qualified sales on that day. Items to be sold at the one-day sale may be obtained by issuing an exemption certificate to the seller. This certificate is originated in the Business Office and must state that the taxable items are to be sold at the one-day sale.

12.5 Remittance of Sales Taxes

All sales tax collected by the school shall be remitted to the State Comptroller's Office annually.