



VIRGINIA BEACH CITY PUBLIC SCHOOLS CHARTING THE COURSE

MEMORANDUM

TO: Audit Committee of the School Board of the City of Virginia Beach

FROM: Karen W. Woodson, CIA, CFE ^{KW}
School Board Internal Auditor, Department of Internal Audit

SUBJECT: Fundraisers Audit

DATE: April 10, 2026

BACKGROUND

As part of the calendar year 2026 Audit Work Plan, the Department of Internal Audit (IA) has performed a Fundraisers Audit.

The Office of Student Leadership (OSL), within the Department of School Leadership (DOSL), serves as a contact for middle and high school student activities programs. Student Activities Coordinators (SACs) report to the principal for matters such as employee evaluations and leave approval. SACs receive training for their specific role from OSL. Each middle school and high school have a SAC. The SAC is involved in the fundraising process at the schools and works with the principal and bookkeeper when a staff member is requesting to do a fundraiser. Elementary schools do not have SACs, however, they do plan and conduct fundraisers. The Office of Business Services (OBS), within the Department of Budget and Finance (Budget), trains the bookkeepers to account for fundraisers. OBS provides the fundraising documentation that is required to be completed by the school.

At the secondary level, the fundraising process begins with the SAC reviewing the Fundraiser Anticipated Revenue Form (Anticipated Revenue Form) to determine if the fundraiser should be approved. This form gives a description of the fundraising activity, the projected expenses and revenue, if a crowdfunding website will be used, the beginning and ending dates and how the profits from the fundraiser will be used. The sponsor of the fundraiser completes the form. The principal reviews the form if it is approved by the SAC. The form is given to the school's bookkeeper to ensure the sponsor is issued receipt books/Internal Accounting Control books and transmittal envelopes and understands the cash collection process. At the elementary level, the principal reviews and approves the Anticipated Revenue Form and provides the form to the bookkeeper.

The Fundraiser Completion Form (Completion Form) is required to be filled out by the sponsor. This form includes the amount of money collected, the total amount spent and

BACKGROUND, CONTINUED

the profit earned. The principal and SAC, as applicable, review and approve the form. The Completion Form includes a printout from School Funds Online, the division's bookkeeping software, showing all receipts and disbursements associated with the fundraising activity, which should match the information on the Completion Form. All fundraising forms should be kept with the financial records for the school year.

VBCPS fundraisers are separate from External Parent Organization (EPO) fundraisers. VBCPS Regulation 7-31.1 PTA/PTSA Fund-Raising Activities requires principals to jointly supervise any PTA/PTSA sponsored fundraisers. There are no regulations for other types of EPO fundraisers except the *Business Manual for Schools* Section 29.2 External Parent Organizations...Affiliated with VBCPS, which requires that the principal be provided the EPO's fundraising plan for the school year.

AUDIT OBJECTIVES, METHODOLOGY, RESULTS AND CONCLUSIONS

Inquiry and examination of documents and data, as well as site visits, were the methods of reviewing internal controls. The audit period was July 1, 2025, through March 31, 2026. There was no sampling used in the crowdfunding search, and all schools were examined. Judgmental sampling was used in this audit for benchmarking and interviews. Judgmental sampling allowed IA to benchmark school divisions based on their size and to interview various principals, SACs and bookkeepers based on fundraising activity at the school. The results cannot be extrapolated to the entire population.

IA conducted this audit primarily to review the fundraising process. The audit objectives, methodology, results and conclusions are as follows:

1. Objective:

VBCPS School Board Regulations 7-36.1 Soliciting Funds or Sales and 7-43.1 Fund-Raising by Students require the employee to obtain principal approval to fundraise and requires fundraising forms to be completed. IA benchmarked these regulations against other Virginia school divisions to provide relevant fundraising policy information.

Methodology:

IA performed benchmarking procedures for five Virginia school divisions that were selected by using student membership information obtained from each school division's public website. IA used the information to compile statistics regarding their fundraising policies.

Results:

Benchmarking information was obtained from the following divisions: Arlington Public Schools, Chesapeake Public Schools, Chesterfield County Public Schools, Loudon County Public Schools and Fairfax County Public Schools.

AUDIT OBJECTIVES, METHODOLOGY, RESULTS AND CONCLUSIONS, CONTINUED

Topics Included in Policy or Regulation	VBCPS	Other Benchmarked Divisions
Fundraising policy/regulation	Yes	5 of 5
Fundraising guidelines for non-PTA/PTSA school support organizations (e.g., Booster Clubs, EPOs)	No	3 of 5
The principal approves all fundraisers, including those sponsored by EPOs	Partial; principal approves school fundraisers (no guidelines for required principal approval of EPOs)	4 of 5
Guidelines for crowdfunding websites	Yes	3 of 5
Requires principals to have a list of approved school fundraisers	No	2 of 5

Conclusion:

Statistics indicate that VBCPS does not have fundraising regulations for three of the five components benchmarked, as compared to the other divisions.

2. Objective:

Determine if SAC, principal and bookkeeper are following VBCPS internal fundraising procedures and are receiving fundraising plans from EPOs.

Methodology:

A) IA surveyed the SAC, principal and bookkeeper at two middle schools, two high schools and two elementary schools (SAC not applicable) to review their internal fundraising and monitoring practices.

Results:

Six schools provided internal fundraising and monitoring practices which included reviewing required fundraising forms, and one of the high schools created an additional form to aid in fundraising tracking at their school.

B) IA surveyed the principal at two middle schools, two high schools and two elementary schools (different from the previous school's surveyed) to determine if they receive fundraising plans from EPOs as required by the *Business Manual for Schools* Section 29.2.

Results:

Three of the six principals received fundraising plans and one principal created an additional form to aid in fundraising tracking. Two principals stated they do not receive fundraising plans from EPOs.

AUDIT OBJECTIVES, METHODOLOGY, RESULTS AND CONCLUSIONS, CONTINUED

Conclusion:

All SACs, principals and bookkeepers surveyed are following VBCPS internal fundraising procedures. Principals are not consistently receiving fundraising plans from external parent organizations.

3. Objective:

Review GoFundMe and DonorsChoose websites to determine if VBCPS schools are listed as fundraising recipients, determine if VBCPS crowdfunding procedures are followed and determine if controls are in place to prevent items from being shipped to a non-school address.

Methodology:

A) IA performed online research for all 85 VBCPS schools to determine if the school used the DonorsChoose website and determine if the fundraiser was approved by the principal using the Anticipated Revenue and Completion Forms.

Results:

Thirty-four of the 37 schools with DonorsChoose fundraisers did not follow procedures and submit an Anticipated Revenue and Completion Form to the principal for approval. Three of the 37 schools had approved fundraiser documentation for its DonorsChoose fundraisers.

B) IA performed online research for all 85 VBCPS schools to determine if the schools used the GoFundMe website, which is prohibited by VBCPS.

Results:

Two schools used GoFundMe. One school received \$150.00 to update the staff lounge and one school had not received any funds requested for after-school programs and clubs, as of March 12, 2026.

C) IA created a DonorsChoose account and attempted to change the delivery address for a VBCPS school to a home address.

Results:

DonorsChoose did not allow the delivery address to be changed from the VBCPS school's address to a home address.

Conclusion:

Schools are not following fundraising procedures for crowdfunding. In addition, IA determined that the DonorsChoose website did not allow IA to change the school shipping address.

AUDITING STANDARDS

IA conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings, other items noted and conclusions based on our audit objectives.

AUDITING STANDARDS, CONTINUED

The results of the audit were discussed with management. We thank management and staff of Office of Student Leadership and Office of Business Services and others that were contacted for their cooperation throughout the audit.

cc: Matthew D. Delaney, Chief Schools Officer, Department of School Leadership
Leeane Turnbull, Director of Student Leadership

Crystal M. Pate, Chief Financial Officer, Department of Budget and Finance
Daniel G. Hopkins, Director of Business Services

AUDIT RESULTS AND MANAGEMENT'S RESPONSES

Finding No. 1: Prohibited Fundraisers

Two elementary school teachers created requests on behalf of their schools to raise money through the GoFundMe website. The money collected would be deposited into the teacher's personal bank account. One teacher raised \$150.00 to buy furniture for the school's staff lounge while the other teacher attempted to raise \$2,000.00 for after school programs, however as of March 12, 2026, there had been no money committed. The *Business Manual for Schools* Section 16.12 Crowd Fundraising states, "All monetary donations should be receipted by the bookkeeper to a specific fundraising account within the school activity funds... No banking information should ever be provided to any crowd fundraising organization. A check should be requested by mail to the school in the name of the school and not to an individual person." Both staff members stated that they were not aware they could not set up the GoFundMe fundraisers to raise money for the school. IA determined that the principal at one of the schools was aware the staff member was working on updating the staff lounge but not aware that a GoFundMe fundraiser was created to fund the project. The principal at the other school also was not aware of the GoFundMe fundraiser. Use of prohibited fundraising platforms circumvents the fundraiser approval and reconciliation process, and funds could be used for personal gain as well as requests that are not appropriate.

Recommendations:

IA recommends that the principal at each school ensures that the staff members remove the fundraisers request from the GoFundMe website due to the possibility that funds can still be donated if the fundraiser is open. In addition, the principal should determine if corrective action is required for the staff member. IA recommends that DOSL remind principals that GoFundMe is not an authorized fundraising platform.

- *IA noted that both GoFundMe fundraisers were removed from the website after IA spoke with the staff member and principal.*

Management's Response:

The Chief Schools Officer (CSO) concurs. DOSL will remind principals that GoFundMe is not an authorized fundraising platform. The two fundraisers have been removed from GoFundMe, the principal at each school will work with Employee Relations to determine if corrective action is needed. All items will be completed by May 31, 2026.

Finding No. 2: Fundraisers Not Approved by Principal

IA searched for active and completed fundraisers on the crowdfunding website DonorsChoose for all VBCPS schools. IA identified 37 schools with between one and 22 active or completed DonorsChoose fundraisers during fiscal year 2026 totaling approximately \$74,000.00 in value. Items requested by VBCPS teachers included items such as instructional supplies, candy/chips/snacks, printers, fans and a walking pad. Thirty-four of the 37 schools did not have the principal's approval on the Anticipated Revenue and Completion Forms. The *Business Manual for Schools* Section 16.12 requires that the Anticipated Revenue and Completion Form be completed for any crowdfunding fundraiser. The reason that the fundraising documentation was missing varied; some schools were not aware the forms were required for DonorsChoose fundraisers, while others were aware the forms were required but were not aware the DonorsChoose fundraiser had been set up by the staff member. In addition, IA noted that schools are

AUDIT RESULTS AND MANAGEMENT'S RESPONSES, CONTINUED

using an outdated version of the Anticipated Revenue Form, which was revised in August 2021, to include crowdfunding fundraisers such as DonorsChoose. The principal's approval is required for all fundraising activities to ensure that all requests are appropriate.

Recommendations:

IA recommends that OBS remind bookkeepers and OSL remind SACs that staff need to fill out Anticipated Revenue and Completion Forms for DonorsChoose projects, and the latest forms can be found under OBS Forms on the VBCPS Intranet. IA also recommends that principals remind staff that DonorsChoose fundraisers require the same approval and follow-up as all other fundraisers.

Management's Response:

The Chief Financial Officer (CFO) concurs. OBS will remind bookkeepers that staff are required to complete the updated version of the Anticipated Revenue and Completion Forms for DonorsChoose fundraisers by May 31, 2026. The CSO concurs. The Office of Student Leadership (OSL) will remind SACs that staff need to fill out the updated version of the Anticipated Revenue and Completion Forms for DonorsChoose fundraisers. DOSL will ensure that principals remind staff that DonorsChoose fundraisers require the same approval and follow-up as all other fundraisers. This will be completed by July 31, 2026.

Finding No. 3: External Parent Organizations Fundraiser Guidance

VBCPS does not have oversight over EPOs, however these organizations provide valuable support to VBCPS schools. Each EPO is required to provide the principal with a fundraising plan for the school year, which allows the school to determine if and what type of other fundraisers are needed. IA interviewed several elementary and secondary principals and determined that they are not consistently receiving the annual fundraising plans from EPOs. The *Business Manual for Schools* Section 29.2 External Parent Organizations – School Board Guidelines for Organizations Affiliated with the Virginia Beach City Public Schools states, “Organization by virtue of its close association with VBCPS has certain obligations to the School Board and to the administration of the school with which it is affiliated, including, but not limited to the following...providing the principal with fundraising plans for the school year.” In addition, IA noted through work on other engagements that EPO fundraising activities do not always identify that the EPO is the sponsor. This makes it difficult for the community to determine who is responsible for the fundraising activities, and there may be overlap with a fundraiser planned by the school. IA determined that three of five school divisions benchmarked have policies/regulations for EPO fundraisers. VBCPS does not have guidance for non-PTA/PTSA EPO fundraisers outside of the *Business Manual for Schools* requirement noted above.

Recommendations:

IA recommends that OSL and OBS work with DOSL and Budget to determine if principals should be reminded to obtain a fundraising plan from each EPO or if this requirement should be revised. In addition, IA recommends that OSL and OBS work with DOSL and Budget to develop guidelines for EPOs to include requiring each EPO to clearly identify its fundraisers.

AUDIT RESULTS AND MANAGEMENT'S RESPONSES, CONTINUED

Management's Response:

CSO and CFO concur. OSL and OBS will work with the DOSL and Budget to determine if principals should be reminded to obtain a fundraising plan for each EPO or if this requirement should be revised. In addition, OSL and OBS work with DOSL and Budget to develop guidelines requiring that EPOs identify when they are fundraising. This will be completed July 31, 2026.

ITEMS NOTED AND MANAGEMENT'S RESPONSES

Items Noted No. 1: DonorsChoose Inventory

Staff members are not aware that items received through DonorsChoose must follow the same inventory requirements as other VBCPS items. IA received this concern from multiple bookkeepers and principals during discussions about the DonorsChoose fundraisers. The *Business Manual for Schools* Section 16.12 Crowd Fundraising states, "All non-monetary items (supplies, equipment, etc.) obtained are the property of Virginia Beach City Public Schools and all inventory procedures apply." Understanding the *Business Manual for Schools* crowdfunding requirements ensures that VBCPS follows inventory procedures for all items received through crowdfunding websites.

Recommendations:

IA recommends that DOSL provide a reminder to principals that items received through DonorsChoose must remain at the school even if the employee who requested the item separates from employment, retires or transfers to another VBCPS school. In addition, IA recommends that OBS reinforce this requirement with bookkeepers.

Management's Response:

The CSO concurs. DOSL will provide a reminder to all principals by May 31, 2026, that items received through DonorsChoose must remain at the school even if the employee who requested the item leaves the school. The CFO concurs. OBS will include information at the next bookkeeper training by May 31, 2026, to emphasize that items obtained through DonorsChoose must remain at the school even if the employee who requested the items leaves the school.