

Digging Deeper: School Activity Funds

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Overview of this session:

- ▶ Fundraisers
- ▶ Sanctioning Booster Clubs
- ▶ Current Issues

Popular Fundraisers

(according to “the interwebs”)

- ▶ Bake Sales
 - ▶ Raffles
 - ▶ Gift Card Sales
 - ▶ Bingo Nights
 - ▶ Pancake Breakfasts
 - ▶ Popcorn Sales
 - ▶ Carnivals
 - ▶ Flower Sales
 - ▶ Candy Sales
 - ▶ Pizza Day
 - ▶ Craft Sales
 - ▶ Fun Run
 - ▶ Boosterthon
 - ▶ Car Wash
 - ▶ Coupon Sales
 - ▶ Book Sales
 - ▶ Talent Shows
 - ▶ Benefit Concerts
 - ▶ Silent Auctions
 - ▶ Dress-up Days
 - ▶ Movie Nights
- and on and on...

Internet & Social Media Solicitations

- ▶ Charities use a wide variety of methods to solicit contributions.
 - ▶ Internet sites
 - ▶ Email campaigns
 - ▶ Social media campaigns
 - ▶ Mobile phone giving
- ▶ A volunteer can create a fundraising page and start soliciting on behalf of a charity in minutes.
 - ▶ *So can someone intending to steal from donors using the name and purpose of the charity.*

Board Approved Fundraisers

- ▶ All fundraisers must be board approved, per state law.
- ▶ In Edmond, a list of board approved fundraiser types is approved annually.
- ▶ This list is included as part of the Activity Fund Regulations manual and is updated annually.
- ▶ Fundraisers coordinated through a Sanctioned Organization would not be restricted by this list, but must be consistent with the overall policies and regulations of the Board of Education.

Board Approved Fundraisers

Games of chance, such as Bingo and Casino Nights, are not authorized fundraisers for school activity funds. Below are fundraising activities approved by the Board:

Admission to misc. student events	Costume/clothing rental	Newspaper sales
Advertisements	Flowers, plants, produce and greenery sales	Picture sales
Athletic team fund raisers	Gift item sales	Poster sales
Auctions	Graduation accessories sales	Prom tickets
Auditions	Group trips fees	Raffles
Autograph pages	Holiday fundraisers	Restaurant nights
Book fairs	Homecoming activities/carnivals	Senior dinner/breakfast
Booklet sales	Jewelry/key chain sales	Speaker fees
Candy, food, and soft drink sales	Magazine/periodical sales	Spirit ribbons/button sales
Car wash	Mattress sales	Student store sales
Clothing/apparel sales	Membership dues/fees/registrations	Talent shows
Concession sales	Miscellaneous clinic fees	Workshops
Contributions/donations	Mug, cup and glass sales	Yearbook sales



How can we keep
all of this straight??

Board Approved Fundraisers

- ▶ Some subaccounts have restricted activity.
 - ▶ Driver Education, Parking, Refunds, Summer School, Surplus Property and Day Care are all limited to revenue types that do not include fundraisers. (e.g. Enrollment fees, refunds, lost property, etc.)
- ▶ Each specific fundraiser is approved by the activity fund custodian, district admin, and business office.
 - ▶ The custodian must keep a record of all approved fundraiser activity for the school year.

Guidelines for Fundraisers

- ▶ Fundraising is a regulated activity.
 - ▶ Registration may be required.
 - ▶ Board policies must be understood.
- ▶ Tax implications must be considered.
 - ▶ Donations where goods/services are received are only partially deductible.
- ▶ Always clearly state the purpose for the funds.
- ▶ Always be transparent when spending collected funds.
- ▶ Always keep good records.
- ▶ Always thank your donors.

Online Fundraising

- ▶ The popularity of on-line fundraising is growing wildly.
- ▶ Most on-line fundraising sites deal with generating income for the benefit of the individual requesting donations. Sites such as GoFundMe.com are not allowed at Edmond Public Schools.
- ▶ Some districts allow the use of On-line fundraising if:
 - ▶ All proceeds are deposited into the activity fund.
 - ▶ Donors receive notice that payment is NOT tax-exempt (unless specifically stated by the receiving site).
- ▶ All property becomes the property of the District and must remain if the employee leaves employment for any reason.

Online Fundraising

- ▶ When deciding to use an online fundraising platform, consider:
 - ▶ What fees with the website collect?
 - ▶ Will we receive the donors' information?
 - ▶ When will we receive the funds?
 - ▶ What steps are being taken to prevent fraud?
 - ▶ What kind of accounting will be provided?

Popular Websites for Fundraising

- ▶ [Causes.com](https://www.causes.com)
- ▶ [GoFundMe.com](https://www.gofundme.com)
- ▶ [CrowdRise.com](https://www.crowdrise.com)
- ▶ [YouCaring.com](https://www.youcaring.com)
- ▶ [Fundly.com](https://www.fundly.com)
- ▶ [DonorsChoose.org](https://www.donorschoose.org)
- ▶ [FuelMySchool.com](https://www.fuelmyschool.com)
- ▶ [FirstGiving.com](https://www.firstgiving.com)

So many choices...

- ▶ DonorsChoose.org is the only site on the previous list allowed by EPS.
 - ▶ DonorsChoose is an online charity that gives grants to teachers for a classroom project.
 - ▶ No cash is given to the recipient.
 - ▶ All proceeds are in the form of goods.
 - ▶ DonorsChoose.org is a 501(c)(3) charity.
 - ▶ Property belongs to the district.

Fundraisers “gone wild”?!?

- ▶ How can you avoid letting your fundraising efforts get out of control?
 - ▶ Establish clear policy for all staff.
 - ▶ Perform random searches for active campaigns related to your district.
 - ▶ Educate administrators on the correct way to do fundraisers.

Booster Clubs

- ▶ A **booster club** is an organization that is formed to support an associated club, sports team, or organization. The clubs are generally run and organized by the parents of students. It is not a social club. Its main function is to develop support for the student program and raise funds to supplement shrinking public support as a result of budget cuts

How does a school district interact with booster clubs?

1. Sanctioned = funds outside of school district's activity accounts.
2. Non-sanctioned = funds should be within school district's activity accounts.

70 O.S. Section 5-129



What is Sanctioning?

- Recognition & Attribution
- Allows organization to operate for benefit of students
- Permits fundraising on school property
- Finances are exempt from school laws over activity fund
- Board of Education has complete discretion whether to sanction a group



Sanctioning Does NOT Equal Control

- ▶ Board of Education does not control funds; organizations operate from their own bank accounts
- ▶ Organizations must obtain their own tax ID number
- ▶ Organizations may NOT use school district's tax ID number or tax-free status
- ▶ Board of Education is not responsible for ensuring that organization complies with applicable state and federal laws

Sanctioning process



1. Application submitted.
2. Review of paperwork by the administration.
3. Recommendation to the board of education from the administration.
4. School board will take action under an appropriately worded agenda item at a lawfully convened meeting.

Application Process (for EPS)

- ▶ Apply annually
- ▶ Due by late June each year
- ▶ Includes Financial Information from June of prior year through May
- ▶ Approval by School Board at August meeting
- ▶ Board can request records at any time
- ▶ Board can withdraw sanctioning at any time
- ▶ Applications are subject to Open Records Act

Revocation of Sanctioned Status

Does your policy allow for the revocation of sanctioned status?

If the organization's operations and purposes are not consistent with the policies and procedures adopted by the board of education.



Beware the IRS



- ▶ The IRS may deem payments to District employees by sanctioned organizations to be taxable compensation
- ▶ If an outside organization would like to make a gift of any amount to a District employee, they should contact the District to ensure the gift is processed through the payroll office

Parent Booster USA

- ▶ Founded in 2004 by an attorney skilled in nonprofit and tax law, PBUSA has more than 3,500 member organizations in 48 states with a 95% annual renewal rate. PBUSA provides peace of mind for parent volunteers, school administrators and school district leadership.
- ▶ <https://parentbooster.org/member-resources>

Ways to Protect Against Liability

- ▶ Groups must spend the money raised on what they said they were going to do!
- ▶ Insurance and bonds
- ▶ Good procedures
- ▶ Written documents to provide club "memory"
- ▶ Well thought-out activities and services
- ▶ Consider national affiliation (PTA vs. PTO)
- ▶ Consider not being sanctioned - participate in activity fund activities

Current issues

- ▶ Online Payments - The COVID-19 Special!
 - ▶ Fundraisers - selling goods
 - ▶ Fundraisers - seeking cash
- ▶ COVID-19/Closure Related Refunds
 - ▶ Customer-oriented process with less “red tape”
 - ▶ Holding funds “on account”
- ▶ Contract Cancellations
 - ▶ Terms of contracts/agreements suddenly VERY important to school districts
 - ▶ Travel cancellations became a mess during closure **and likely will do so again**
 - ▶ Loss of deposits, loss of student funds, etc.

Current Issues

- ▶ Access to students - EVEN VIRTUAL!
 - ▶ SB 588
 - ▶ Background Checks
- ▶ Retired teachers/OTRS
 - ▶ Officials, gates
 - ▶ Clinicians, private instructors
- ▶ Teacher-owned businesses
 - ▶ Established business w/ FEIN
 - ▶ Not in scope of contract w/ district
- ▶ Booster clubs
 - ▶ EPS does not allow district funds to be given back to sanctioned organizations (of the district)

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