

ASB FUNDRAISING

The following document is taken from the WASBO ASP procedures document. As a club advisor, coach, building administrator or booster club person in charge of fund raising you should be aware of the information in this document.

WHAT MAKES IT ASB??

It is an ASB event or fundraiser if:

- Students are involved and
- School district or School name is used and
- It is conducted on or off school property and
- It is done with the approval of the school board or their designees.

When all of the above are in place, funds raised must be deposited to the Associated Student Body Fund.

ASBs are mandatory in grades 7 - 12 whenever students engage in money raising activities with the approval and under the supervision of the district. Each building must have a separate constitution. (WAC 392-138-011)

ASBs are not mandatory in grades K - 6 but any money raised with the approval and under the supervision of the district must be administered in the same manner as ASB money. (WAC 392-138-011)

The school board has authority over ASBs and ASBs are subject to the same laws as the school district including accounting procedures, budgets and warrants. [RCW 28A.325.120] (WAC 392-138-013)

Privately students are still able to raise money as members of other organizations (boosters, scouting, church, etc.) but this activity cannot be done by an ASB or with school approval or district supervision on school time. **Students may not use a school team or club name nor suggest representation verbally nor wear a school uniform during personal or private fundraising.** (WAC 391-138-015) Exception: See *Private Money* on charitable fundraising.

Booster/Volunteer Funds can be donated to support school activities:

These are moneys raised by volunteer organizations that support school organizations but operate independently of the school district. These organizations include PTSA and other parent-faculty clubs, special interest parent groups and booster clubs. These organizations should register with the state of Washington and operate as non-profit organizations. **All donations from outside groups must be approved by the school board.**

MONEY MANAGEMENT

Money problems may arise due to a lack of proper record keeping and/or adult supervision of the fundraiser; these will not be pleasant for anyone involved in the sale. Avoid these problems by following these guidelines:

- Work closely with the school bookkeeper and Activity Coordinator; their knowledge is of great value to you
- Purchases may only be made with purchase orders or procurement cards **and requested prior to purchasing**
- Inform administrators of fundraising sale dates and of sale procedures you will use
- Set up a system for *daily* records of deposits and payments. Use an official district receipt book or, if computerized receipting is used, set up a SKU with the ASB bookkeeper to receipt sales. Audit your records periodically with the school bookkeeper.
- Use individual cash count sheets attached to envelopes for student deposits; allow enough time to verify each deposit *in the student's presence* before the receipt is written. **Save the cash count sheets; they are part of your financial records.**

Updated 12/15/11

- Deposit money **DAILY**. Use proper methods explained in the section on Cash Handling (*ASB Procedures Manual*). After **DAILY** student deposits have been collected, fill out the *Fundraising Deposit* form; deposit **DAILY** collections to the school bookkeeper.

Deposits can only be made through the school bookkeeper to the district depository account. ***No personal bank accounts are allowed.***

- Assign a single student to maintain all revenue records for your sale and work with them closely
- Assign another student to maintain the sales records of each salesperson (who has what; what has been sold; what has been returned). Use Merchandise Sales Reports and Checkout Forms. (*WASBO ASB Procedures Manual, Fundraising Section*)

If several fundraisers are conducted throughout the school year, students should be rotated on the above duties as much as possible. This is an example of good internal controls (separation of duties).

OBTAIN PARENTAL PERMISSION

The *Parent Permission* letter informs parents that their student is responsible for any and all goods checked out to them. When the fundraiser is complete, all unsold merchandise and money collected must be returned to the activity advisor for deposit with the ASB Bookkeeper. Advisors are to obtain parental permission before assigning goods to students to sell. This letter explains student liability and allows parents to approve or disapprove of their child's participation.

QUESTIONS TO ASK

- Will the project be fun?
- Will it require outside help?
- Has this type of sale worked before? Could it with a different approach?
- Are we all behind the idea?
- Can we accomplish our goals with this fundraiser?
- Do we have funds available to purchase the sale merchandise?
- Is adequate budget capacity available for expenses?
- Will we have to request a loan from the student council?

After choosing a fundraiser, use the *Fundraising Check List* to help you organize. It is a step-by-step approach to selling a tangible item but can be helpful in planning a car wash, dance, etc.

SCHEDULE YOUR FUNDRAISER

- Check your school calendar. Be sure that you will not be in conflict with another event.
- Planning a fundraiser in conjunction with a holiday can be effective if the product sold is appropriate. Plan well in advance.

PROCEDURES FOR FUNDRAISING

The following procedures should be followed to ensure accountability and adequate internal controls.

PRIOR TO THE SALE:

1. Submit a request to the Student Council/Senate requesting permission to conduct a fundraiser. All fundraising is to be approved by the student council and the school administrator and must also be of a type approved by the school district Board of Directors.
 - a. Establish a timetable for beginning and ending dates of the event
 - b. Have your fundraiser placed on the building calendar
 - c. Obtain information on record keeping required and sale procedures

Updated 12/15/11

2. Select a vendor; fill out a request for a purchase order *before ordering any merchandise*. A copy of the purchase order will be returned to you.
 - a. Obtain a written agreement with the vendor that all unsold, like new merchandise may be returned for credit. The agreement should also state that any awarding of incentives or prizes will be by the vendor. The ASB activity will most likely be billed for these prizes.
 - b. List articles to be ordered by catalog number, description, quantity and price.
 - c. Consideration should be given as to whether or not bid laws apply. Call the district Purchasing or Accounting Office for this information.
3. When merchandise is received:
 - a. count (inventory) items received matching them against packing slips and your copy of the purchase order
 - b. sign your name and date received on the invoice or packing slip
 - c. keep merchandise secure (locked up) until it is checked out to students
4. Set prices; be sure to include tax and shipping costs.
5. There should be a *written* agreement with students informing them of their responsibility for all products checked out to them. This agreement should require parent authorization as indicated by their signature
6. **Daily deposits** must be made with the school bookkeeper for duration of the sale.

PROCEDURES DURING THE SALE

1. The club advisor or designated students will be responsible for checking merchandise in and out. Use *Individual Checkout Sheet* form (*see you ASB bookkeeper or Activities coordinator*). All merchandise not checked out is to remain in a locked secure area.
 - a. Extended fundraisers such as school store and pop machine require monthly inventory counts and reconciliation
2. Individual student records must be maintained. *Records protect both students and advisor*
 - a. Students receiving product must sign their **individual** record sheet *each time* they receive merchandise.
 - b. Students must sign their **individual** record sheet *each time* they deposit money or when merchandise is returned.
 - This is an opportune time to perform an instantaneous reconciliation between what has been checked out against what has been turned in, either in money deposited or product returned. *Do not allow students additional product until previous product checkout has been reconciled.*
 - Use a SKU in the point of sale system *OR* use **official school district pre-numbered** receipts to record student deposits of money; original receipt is given to the student, copies remain in the receipt book. Receipts are to be used in addition to student record sheets. A receipt must be produced *every time* money is received from a student.
 - **Receipts and student check out sheets form the basis of an ASB club's financial record keeping**
3. Deposit funds collected with the school ASB bookkeeper daily using the *Fundraiser Deposit* form. The bookkeeper will verify your deposit total and issue a receipt to you as advisor of the club.
 - **ASB money is never to be taken home or left in the classroom**
 - **ASB money is never to be put into a private personal bank account**

PROCEDURES AFTER THE SALE

1. Verify all student record sheets for accuracy.
 - a. Make a list of students who haven't returned product checked out to them/amounts due
 - b. Submit this list to the ASB Bookkeeper for collection.
2. List and count all unsold merchandise; return it to a locked secure area for safekeeping. If possible, return all unsold product to the vendor for credit. **Do not delay returns**, some merchandise has a 'shelf life'.

Updated 12/15/11

Sometimes unsold items can be sold to another activity or hold a clearance sale at reduced prices. **Keep records.** Finalize regular sale before beginning clearance sale.

3. **Maintain a fundraiser file.** It should contain:

- copy of the fund raiser request/reconciliation form
- copy of the purchase order or procurement card receipt
- copy of the invoice(s) and packing slips
- student *checkout* (record) *sheets*
- deposit receipts and deposit records
- list of unsold merchandise
- copy of the credit memo OR a copy of the interactivity transfer if another activity ‘purchases’ your unsold inventory
- *Profit Analysis* form

4. Total revenue less value of merchandise not sold should be compared to projected revenue and deposit amounts.

5. The Student Council should approve final reconciliation of fundraisers.

WRAPPING UP SALES

Occasionally club fundraisers tend to drag on and on; this is a situation that can create problems for you, your club and school Activities/Principal’s office personnel. **Don’t let this happen. Set your deadline and stick to it.**

At sale end, complete the *Fundraising Profit Analysis* form and *Fundraiser Final Reconciliation* form, return it to the office **with a list of those students who have not fulfilled their sale obligations.** These are now fines.

Deposit any final money received with the school bookkeeper.

Should a student fail to return items checked out to them or payment for them, schools may (by law) place their name on the school fine list; students will be held accountable for merchandise or money before grades or diplomas may be received or records transferred to other schools should they withdraw.

Make an inventory list; return any unsold merchandise in good condition to the vendor for credit. *Request a credit invoice.* The *inventory list* should also be filed with sale records in the ASB office.

It is necessary to inventory unsold items. Inventory must be stored in a locked area and the inventory list filed with the ASB Activities Coordinator. Items can be sold at a later sale, sold to the school store for resale or included in another fundraising event. Items cannot be given away although they may be sold at reduced prices in a clearance sale. Keep separate records of this sale. Keep detailed records of everything that occurs concerning the sale. Document beginning and ending sale dates at original prices; have separate records for sale dates at clearance prices.

- **Activity clubs should *not* have to absorb losses due to student negligence.**
- **Fundraising events must show a reasonable profit at conclusion of the sale.**

FUNDRAISING FACTS

- Once items are issued to a student, that student becomes totally responsible for them.
- Losses due to spoilage or other damage become student responsibility.
- If merchandise or money is not returned to reconcile an individual student record sheet, that student’s indebtedness will be added to the school fine list.

Updated 12/15/11

- **All purchases must be made using the school district and school name, personal names and addresses are not allowed.**
- All funds collected must be deposited to the school district depository account via the school ASB bookkeeper.
- ***It is illegal for ASB money to be deposited to a personal bank account. This is public money and must be treated as such.***
- Independent sales consultants **may not** use schools as a source of sales. These are consultants who offer schools a small portion of the sale profit by selling to students and parents through an ASB club. Some of these independent consultants are *Pampered Chef, Mary Kay Cosmetics, Avon, and Tupperware*. Many times these consultants are personal friends, spouses or school district employees; this is considered a conflict of interest.
- Money raised that is ASB public money may only be spent for Cultural, Athletic, Recreational and Social purposes (CARS); non-graded, optional and extracurricular.
- Money raised for a charitable purpose as private money must follow specific procedures (see Private Money).

RESTRICTIONS AND PITFALLS

Occasionally fundraisers may be a 'little out of the ordinary' and require additional research before a club can begin. Usually, personnel in the ASB Activities Office can help you with questions and concerns; please ask them if you are in doubt about any aspect of your sale. ***Be sure to receive authorized permission before beginning.***

- **LEGAL:** Fundraisers must meet fire, health and licensing regulations.
- **TAXES:** Non-profit groups may be exempt from income taxes, but liable for sales taxes, amusement taxes, or other levies on their proceeds. RCW 82.04.3261 exempts *limited* ASB fundraisers from paying sales tax on fundraising merchandise (continuous fundraisers do not qualify). A resale certificate must be provided to the vendor; this is to be done either when ordering or when payment is made.
- **INSURANCE:** Special liability insurance may be required in the event property or people could be endangered by a fundraising activity. Consult the school district business office.
- **CONTRACTS:** *Staff members are not to sign any contracts with sales representatives.* Contracts must be signed by an Administrator. School districts have a *Goods and Services Consultants Contract* which is appropriate for most service agreements with persons who are self-employed. All tax information is required prior to payment from Accounts Payable (tax ID number or social security number; business name; phone number; business address; person operating the business, etc.) Time may be saved by faxing forms to contractors and reminding them to fill in all portions of the form. If in doubt, call district purchasing or accounting office for the form and proper procedures to follow.
- **THEFT:** This can be a threat to any fundraiser. Keep goods and money in locked areas. Turn in money daily. Do not allow students to take cash boxes out of supervised areas. Whenever possible, receipt sales through the point of sale system; distribute merchandise when proof of payment is shown.

GAMBLING - BINGO, RAFFLES, CARNIVALS

ASB's may conduct bingo, raffles and carnivals as fundraisers without applying for a permit from the State Gambling Commission ***provided*** they follow these guidelines:

1. Each ASB may conduct no more than two gambling events each calendar year (January 1 - December 31).
2. Each gambling event may last no more than 12 consecutive days, **except** for raffles which may last longer.
3. Total gross revenue for all gambling events of a school ASB may not exceed \$5,000 during each calendar

Updated 12/15/11

year. If \$5000 is reached during the event, sales must cease immediately!

4. **Only members of ASB may participate in management of the event.** School advisory staff may help, but *parents and PTA members are excluded. Only members of ASB may sell the raffle tickets.*
5. Tickets may only be sold to persons 18 years of age and older. Prizes may only be awarded to persons 18 and older.
6. Records of each event must be kept for at least three years after the event. Records must include:
 - a. Gross revenue
 - b. Details of expenses related to the activity
 - c. Details of the use of profits from the activity
7. **Raffle tickets may have a maximum price of \$25.00.** There cannot be any discounts for quantity of tickets purchased nor complimentary tickets given away. (Example: \$2 each or 3 tickets for \$5, all tickets must sell for the same price.)
8. The following information must be printed on all raffle tickets:
 - a. District and school name
 - b. Date, time and place of drawing
 - c. Tickets must be consecutively numbered
 - d. If you must be present to win, the ticket must so state
 - e. Prize(s) to be awarded
9. The local police agency must be notified of the event at least 5 days before the event.
10. If any of the above items 1 through 3 are anticipated to be exceeded, a lengthy application process must be initiated with the Washington State Gambling Commission prior to the event. *Allow adequate time for processing of the application.*

PRIVATE MONEY

Expending ASB money for charitable donation, scholarship and student exchange can only be made from legitimate ASB private moneys.

Effective June 8, 2000, RCW 28A.325.030 was amended to permit student groups, *in their private capacities*, to conduct fundraising activities, including the solicitation of donations, to fund scholarships and student exchange programs, to assist families whose homes have been destroyed and to fund community projects. **Under certain criteria** this money is considered to be *non-associated* student body funds and is not public money (section 7, article VIII of the WA State Constitution). *However, if conditions are not adhered to*, money collected will become ASB public money and may not be used for the above purposes. (See *WASBO ASB Procedures Manual*, Private Money Section.)

- School board policy must be in place which permits fundraising for charitable activities
- Verify that the proposed beneficiary is a legitimate charitable organization or cause.
- Student council must give its **prior** approval for collection and expenditure of private money. Additionally, **an administrator must approve the fundraiser in writing**. It is suggested that this be done on an ASB Fundraiser form so that administrator and student approval signatures and any other information is documented as to the type of fundraiser, the intended beneficiary and start/stop dates of the event.
- Contact the district central business office **prior to any collections** for guidance in following required district policies and internal control procedures.
- Before beginning any private money fundraiser, public notice must be given to identify the intended use of the proceeds (be specific), that collections are exclusively for that purpose and that they will be held in trust by the school district until disbursed.
- **All publicity must state the above information.**
- ASB private money **must** be held in an expendable trust account within the ASB program or in ASB accounts in the 6(000) series.

Updated 12/15/11

- Documentation for receipt of any donations is essential. Follow district procedure regarding cash receipting, depositing, record keeping, inventory control and final reconciliation.
- Approval for payment of the proceeds must be in writing. Attach a copy to each purchase order requisition or voucher as backup documentation for payments made through the accounts payable process.
- Charitable fundraising is a private activity; school district funds may not be used to offset, front-fund or pre-pay expenses including start-up costs. The district is to be compensated for any direct costs associated with the fundraiser.
- Transfer of funds to or from a private money account in the 6(000) series is not allowed.

Note: Check with the primary ASB director for approval of all private money fundraising.

WASHINGTON STATE BENEFITS TO ASB

Washington State allows Associated Student Bodies to pay sales tax when product is purchased even if it is for resale. Items purchased for time limited fundraising events are exempt from sales tax per RCW 82.04.3261. (On-going fundraisers do not qualify.) Sales tax need not be collected when items are resold; however, freight or special mailing costs should be considered when setting sale prices of products. Sales tax is not required for food items.

Letter of October 2, 1987, State of WA Department of Revenue states in part "...school organizations will satisfy sales tax requirements if they pay retail sales tax to their suppliers when they purchase items for fundraising purposes. If ...the supplier refuses to collect the sales tax, the fundraising organization must pay a compensating use tax directly to the Dept. of Revenue."

If purchasing from an out-of-state vendor who does not charge sales tax on their invoice, school districts are obligated to pay a 'compensatory tax' to the State of Washington based upon local sales tax rates. Compensatory tax will be charged to your account by accounts payable when the invoice is paid. If an order is for a fundraiser, specify *FUNDRAISER* on both the purchase order and invoice so that compensatory tax will not be charged.

According to House Bill 1279, amending RCW 82.08.02535, ASB's are not required to pay sales tax or compensatory tax on magazine fundraisers. And further:

A letter dated March 15, 1989, from the State of Washington Department of Revenue states "...In the case of magazine subscriptions, ...they are acting as agents ...and are paid a commission. ...The school is not responsible for remitting any sales or use tax due to the state."

Conditional charitable fundraising is now allowed by the state legislature, RCW 28A.325.030, (see Private Money, page 16-17).

Fundraisers such as school stores are not allowed to compete with district food service programs. School stores located in cafeterias are not allowed to sell lunch type items during school lunch.

Washington State Department of Revenue allows non-continuous fundraisers to be tax exempt to non-profit organizations. Yearbook sales may qualify if they meet the criteria: not continuous, ordered by ASB, only contracting for binding of a camera-ready book.