



BUSD

Fundraising Committee Handbook

Table of Contents

| | |
|---|----|
| Introduction to BUSD Fundraising Committees | 3 |
| Fundraising Committee Philosophy and Purpose | 3 |
| Fundraising Committee Basics..... | 3 |
| Definitions of Primary Responsibilities | 3 |
| Fundraising Committee..... | 3 |
| Volunteer Code of Ethics..... | 4 |
| Coach/Advisor/Program Director | 4 |
| School Site Administration | 5 |
| Role of School Office Manager and / or Office Assistant | 5 |
| Burbank Unified School District (BUSD) | 6 |
| Why does the School Board require an annual renewal?..... | 6 |
| Overhead Costs..... | 6 |
| Use of Facilities..... | 7 |
| Did you know? | 7 |
| PTAs | 7 |
| Fundraising Committee Management | 8 |
| Fundraising Committee Governance | 8 |
| Establishment and Operation of Fundraising Committees | 8 |
| Maintaining Records | 9 |
| Minutes of Meetings | 9 |
| Fiscal Responsibilities | 9 |
| Establishing the Bank Account | 9 |
| Best Practices for Bank Account Management..... | 10 |
| Insurance..... | 10 |
| Conflict of Interest Policy | 10 |
| Annual Financial Statement | 11 |
| Budgets and Budget Management | 11 |
| Tax Reporting Requirements..... | 11 |
| Raffles..... | 12 |
| Casino Nights / Poker Nights | 12 |
| Income Control: Receipts, Deposits, and Disbursements | 13 |

| | |
|--|----|
| Receipts | 13 |
| Holding Events to Raise Money | 14 |
| Recommended Cash Handling Procedures | 14 |
| Disbursements | 15 |
| Prohibited Expenditures..... | 15 |
| Debit/Credit Cards..... | 16 |
| Bank Reconciliations & Audits..... | 16 |
| Fundraising | 16 |
| Fundraising Safeguards | 16 |
| Student Fees, Donations, and Fundraising | 16 |
| Summary of the Rule | 17 |
| Pupil Fees, Student Accounts, and Fundraising Committee Fundraising..... | 17 |
| Asking for Donations..... | 17 |
| Examples of improper language when requesting donations..... | 17 |
| Clear communicating for donations: | 18 |
| Fundraising Ideas | 18 |
| Student Accounts | 18 |
| Key Points Regarding Pupil Fees..... | 19 |
| Donations and Gifts to BUSD | 20 |
| Donations to District for Specific School Site or Program..... | 20 |
| Donations of Equipment..... | 20 |
| Employees and Consultants | 20 |
| Contracts | 21 |
| Pre-Payments..... | 22 |
| Where to Go for Help | 24 |
| INSTRUCTIONAL SERVICES..... | 24 |
| FINANCE AND ACCOUNTING..... | 24 |
| FOOD SERVICES | 24 |
| USE OF FACILITIES..... | 24 |

Introduction to BUSD Fundraising Committees

Fundraising Committee Philosophy and Purpose

Thank you for your commitment to the students of the Burbank Unified School District (BUSD). Your dedication and support on behalf of the students of the Burbank Unified School District is greatly appreciated.

Fundraising committees are established for the purpose of providing supplemental funding for district and extracurricular programs such as athletic teams, debate teams or performing arts groups. These groups raise funds and donate these funds to the district for the specific purpose of supporting site-based programs. Fundraising Committee fundraising requires a high level of communication and accountability for the coach/advisor, school staff, principal, and Fundraising Committee officers.

Fundraising Committee Basics

Fundraising in BUSD fall under two separate categories – Fundraising committees at each school site or school connected organizations who have been board approved and are their own individual 501(c)(3). For purposes of this document, these groups will be collectively referred to as Fundraising Committees.

It is important to note that Fundraising Committee groups *are* legally considered a part of BUSD. Fundraising Committees are separate from non-profit Booster organizations. BUSD's non-profit booster organizations must follow state and federal tax laws and are responsible for their own accounting per 501(c)(3) guidelines. **ALL Fundraising Committee and non-profit booster fundraising groups operate under the same rules and regulations within this manual.**

Current BUSD boosters who have obtained their own 501(c)(3) tax exempt status are responsible for filing all legal and tax reports required by State of California and the IRS and any other regulatory requirements of public charities.

All Fundraising Committees supporting BUSD programs are a function of their BUSD school site and are considered school connected organizations approved by the BUSD Board of Education. All school connected organizations must follow BUSD Board Policy and CA Education Code.

Definitions of Primary Responsibilities

Fundraising Committee

The elected officers of each Fundraising Committee work collaboratively with the program director, coach, or advisor, and the school site administrator (principal or assistant principal) for the benefit of all students. Regular communication with all of these individuals is critical to the program's success. All guidelines within in this manual are required to be followed.

Fundraising Committees must consider the impact of fund-raising activities on the overall school and district programs and consult with the Principal to determine if the plan aligns with school needs and

priorities. Fundraising Committees fundraise for BUSD programs, they do not create or manage BUSD programs. Activities by Fundraising Committees must not conflict with law, school board policies, administrative regulations, or any rules of the sponsoring school.

Volunteer Code of Ethics

Fundraising Committees are largely successful because of the hard work and dedication of parent and guardian volunteers. Fundraising Committee volunteers must remember that access to school campuses and district facilities is a privilege. It is important for volunteers to conduct themselves in a professional and respectful manner at all times.

When a volunteer is working with a student or group of students, the basic right to privacy for each child and family must be respected at all times. Confidential information includes any personal identifiable data, observations, or records pertaining to a student or family.

Volunteers must treat all such information as confidential and should discuss it only with the teacher or assigned supervisor. The information should not be discussed with other volunteers, other teachers or staff, or with anyone outside the school.

The one exception to this rule is in the case of suspected child abuse or neglect. Any volunteer who has reason to believe that a child has been subjected to abuse or maltreatment must report it immediately to the principal or other school official.

Good volunteers share the following traits in common:

- Availability, dependability, reliability, friendliness and flexibility.
- Awareness of and willingness to follow any school district or state-mandated criteria regarding health and background checks.
- Special talents or abilities that help to enrich the school program.
- Recognition that accepting an assignment is a serious commitment.
- Strict confidentiality regarding students and school personnel.
- Awareness of the ethical and legal responsibilities involving the privacy of students' records.
- A desire and interest in working with children and youth.
- A willingness to learn and to follow directions

Coach/Advisor/Program Director

The role of the Coach/Advisor/Program Director is to work together with the Fundraising Committee toward common, agreed-upon, student-focused and district aligned goals. In addition, the Coach/Advisor/Program Director is required to attend monthly Fundraising Committee meetings and receive copies of financial reports and Fundraising Committee meeting minutes.

Fundraising Committees do not have the authority to direct the duties of district employees. In addition, these organizations may not hire coaches, advisors, choreographers, independent contractors, or instructors. For more information, see also “**Employees and Consultants**” in this handbook.

School Site Administration

The fundraising committee operates under the authority of the principal. The principal has ultimate responsibility for **ALL** activities at the school site. An assistant principal may be responsible for programs, athletics, and activities within their purview. Fundraising Committees are required to invite administrators to all meetings to plan activities, events, and fundraisers. Activities and fundraisers *must* be approved by the school site administrator or their designee before being undertaken.

The principal must be made aware of, and have final approval over, any fundraising events, activities, or goals. The Principal and/or site designee must

- Prepare Consultant Agreements for consultants that require Board of Education approval. Each consultant must be Board of Education approved for each event. Approval must be obtained prior to the event.
 - Please send paperwork for contract to instructional services at least 3 weeks prior to board meeting. Process may take up to 6 weeks for approval so plan events accordingly.
- Prepare and sign the Facilities Use Agreement, submit to Facilities. Labor costs (custodial/technology support) will be invoiced to the fundraising group for the fundraising event.

Committees should not manage or direct the school site staff. The Fundraising Committee organization shall not represent itself as an agent of the school or the district. District and school letterhead shall be utilized for carrying out fundraising business.

For high school and middle school Fundraising Committees, the scheduling of contests, rules for participation, methods of earning letters and all other criteria dealing with inter-school programs are under the jurisdiction of the district.

Role of School Office Manager and / or Office Assistant

- To deposit Funds. Once funds are counted by a minimum of two committee volunteers, and in the presence of at least one BUSD employee, verify the amounts, accept the funds, and secure them in the school's safe. Deposit must be remitted to the District's contracted armored service collector within 5 business days.
- Provide monthly financial reports to the program teacher/director/coach, principal and committee members.
 - It is not the office manager or assistant's responsibility to keep detailed information on the fundraising committee's budget. That is the responsibility of the *Fundraising Committee finance chair*. Should there be a discrepancy with the report and what the fundraising committee show on their ledger, please contact fiscal services.
- Prepare and process PO's/disbursement requests for consultants, vendors, and reimbursements.
 - Please plan and allow for 4 weeks to process requisitions for supplies and reimbursements.

- Please plan and allow for 6 weeks to process any vendor contracts. Please refer to Contracts section for further details.

Burbank Unified School District (BUSD)

Why does the School Board require an annual renewal?

To be recognized as a school-connected organization 501(c)(3), parent/guardian/groups must petition and be approved by action of the Board of Education to become a school-connected organization in accordance with Board policy 1230. Petitioners must submit a written request on the form provided for approval to the responsible site administrator for annual review. After verifying receipt of all required information, the district level administrator will forward a list of approved parent 501 (c)(3) groups wishing to petition the Board for authorization.

After review, and upon approval of the application by the Board of Education, the approved organization shall be eligible to plan fundraising activities directly related to an extracurricular/instructional program. This approval must be renewed annually per board policy.

It is important to note that all school-connected parent organizations that are 501(c)(3) or applying to be are tied to *schools and school programs*, no matter what the group organization is named. As such, their operations will always reflect on the school staff, the school and on Burbank Unified School District and must comply with CA Education Code and School Board Policy. Annual renewal and program association with schools also facilitates community members’ obtaining a list of Fundraising Committee organizations and their fundraisers from the district. Additionally, parent members and Fundraising Committee members regularly change, so annual renewal is a critical component to ensure appropriate governance. Finally, the renewal process grants the School Board the right to audit the organization’s governance and financial records at any time in accordance with Board policy 1230.

Overhead Costs

For the 2019/2020 school year, to offset additional administrative fundraiser costs, the District will assess costs at the same rate that BSBA charged affiliated groups the previous school year. These rates are as follows:

| If gross revenue for the 2018/19 school year was... | The fee will be... |
|---|--------------------|
| 0-\$14,999 | \$125 |
| \$15,000-\$24,999 | \$200 |
| \$25,000-\$49,999 | \$275 |
| \$50,000-\$99,000 | \$500 |
| \$100,000-\$149,999 | \$700 |
| \$150,00 or Greater | \$825 |

Fundraising Groups’ assessment calculations are due no later than Monday, September 9, 2019

Use of Facilities

For a Fundraising Committee to operate fundraisers and meetings at a school site, completed Applications for Use of Facilities form must be submitted to the principal or designee no later than two weeks before the event. The approved Application for Use of Facilities form will allow the Fundraising Committee to have access to the site for the distribution of information and for any approved meetings and fund-raisers listed on the form. Agreements, including Application for Use of Facilities, must be signed under the name of the Fundraising Committee. Fundraising Committees may not sign Use of Facilities agreements for school/program based events.

Custodial services are required for after school hours functions. The district requires custodial services to assure we meet liability requirements, and health and safety laws.

- Custodians unlock and lock facilities, maintain restrooms, clean up unexpected spills, can access electrical panels and service fire alarms.
- Volunteers can help and assist but they cannot supplant required custodial services.

Additionally, BUSD requires Food Services Staff with “ServSafe” certifications to be present when kitchens or Culinary Arts rooms are used. A custodian, district employee, or site administrator must be present when an outside group is using a district facility.

Did you know?

- **Fundraising Committees can rent certain items for much less directly from the district. For example:**
 - Two-way radios
 - Tables, chairs
 - Headsets for translation services
- **The BUSD Food services department can provide food and catering for your meetings.** Popsicles, bags of chips, prepared sandwiches, coffee, and pastries are just some examples.
- **BUSD has a print center:**
 - For printing rates and more information, go to BurbankUSD.org, click on the “Departments” tab and choose “Print Center Services”
 - Andrea Lamb - Print Center Manager (818) 729-3495
 - Primary Email Address: busdprintcenter@gmail.com

PTAs

Parent Teacher Associations (PTAs) and Parent Teacher Student Associations (PTSAs) are membership organizations that represent, inform and mobilize members and the public to advocate for the education, health, safety and well-being of all children. While the structure of these groups are similar to Fundraising Committees, PTAs are not meant to be fund-raising organizations in the

same way Fundraising Committees are. It is important for Fundraising Committees to communicate effectively with all relevant partners, including PTAs. Parent groups need to work together for the benefit of all BUSD students. Fundraising Committee officers should cultivate good working relationships with other parent group officers.

Fundraising Committee Management

Fundraising Committee Governance

Each Fundraising Committee must have a chairperson, clerk and finance chairperson who acts as the face of, and organizes and manages the operations of the Committee.

Establishment and Operation of Fundraising Committees

Committee Structure

A school-based fundraising committee shall work under the direction of the Principal and/or designated staff to determine the activity, program, or service they are fundraising for. The committee must be structured so that monthly meetings have agendas and minutes. These committees need to have a few basic key positions, such as a Committee Chair, a Committee Clerk, and a Committee Finance Chair, who can help organize the collection of funds for deposit into a school district account. The fundraising group must hold monthly school wide meetings to ensure the school community is well represented in decision making. Decisions must be democratic with voting practices following Roberts Rules of Order and any BUSD directed processes.

Roles of Committee Members

- Committee Chair: (Formerly President) Presides over Fundraising Committee Meetings
- Committee Clerk: (Formerly Secretary) Maintains the agenda and keeps meeting minutes
- Committee Finance Chair: (Formerly Treasurer) Serves as the Treasurer for the Committee. Responsible for monthly financial reports with the site Office Manager and sharing the financial reports at the monthly fundraising committee meetings at large.
- Staff Members: Up to three staff members may participate as members of the committee
- Additional or other Volunteer Positions (such as Event or Activity) Director: Can take on the role of preparing, organizing, and/or putting-on an event or activity, such as a carnival, theme night, restaurant night, or other such events.

Voting for Committee Members

Prior to establishing a fundraising committee, and annually thereafter, elementary school principals are expected to ensure that a meeting of parents and family members interested in serving on their site-based fundraising committee is called. At that meeting, attendees may nominate individual parents or family members to serve in the positions of Committee Chairperson, Committee Clerk, and Finance Chairperson. Other positions (such as Event Coordinators) who report to the Committee, can be volunteered for. Up to three staff members may serve on the committee but only one of these staff members may serve in a leadership role.

Selection of Committee Member

Selection or voting of committee members it is important that members are chosen democratically. Prior to the meeting where members will be selected, the school will sound notice for interested parties to attend. Then committee members will be nominated for one-year terms up to three consecutive terms. *For 2019-2020 school year Booster Officers are encouraged to follow Booster election procedures to transition to new BUSD fundraising format.*

Notice of Committee Meetings

Notice of Committee Meetings must be provided to the entire school community at least ten days in advance of the meeting.

Annual Timeline for Committee Formation (After the 2018/2019 School Year)

- January: “Cast net” and seek Committee Chairs through various communications to school families, including, but not limited to, emails, flyers, social media posts, all-calls, etc.
- February: Distribute slate of nominees for election of Committee Chairs
- March: Hold election at “all call” meeting where all school families are invited to attend and vote.
- April: Conduct planning and budgeting for the next school year.
- May: Submit budget and calendar to the designated District Administrator for their review and approval.

Maintaining Records

The Fundraising Committee records are a compilation of the history of what occurred during the school year. The Fundraising Committee must maintain accurate records including the deposit of funds for District auditors and auditing purposes. It is required that the Fundraising Committee maintain a filing system containing all records including, but not limited to: agendas, minutes, correspondence, financial statements, annual reports, copies of all checks and receipts, (tax returns, federal and state filings and exemptions should be maintained by any 501(c)(3) group).

Minutes of Meetings

There is a formal process of governance for nonprofit organizations, by law the 501(c)(3) groups must prepare and maintain a record of each meeting. Fundraising committees under the umbrella of the District must also maintain a record of minutes. The meeting minutes demonstrate that the organization/committee has followed policies and procedures and reflects the intention of the funds raised. Meeting minutes must be taken at Fundraising Committee meetings.

Fiscal Responsibilities

Establishing the Bank Account

501(c)(3) groups will need a checking account at a local financial institution. Required information to be given to BUSD during annual renewal or at the time of any change is as follows: Name of bank where funds will be deposited and the names of those persons authorized to withdraw funds from the account. Per Board policy, all 501(c)(3) organizations are required to have two co-signers on

every check disbursed who are not related by blood or marriage or residing in the same household. Fundraising committees will deposit their funds through the district.

Best Practices for Bank Account Management

501(c)(3) bank accounts must be held in the name of the group and not in the name of any individual or school site. It is important to note that these bank accounts are for the exclusive use of the 501(c)(3) group. To this end, the officers of the 501(c)(3) group shall ensure that all funds are deposited into these accounts.

Whenever possible, the organization should place funds in interest bearing accounts. 501(c)(3) organization funds shall not be co-mingled with any member's personal accounts. No BUSD employee, including Teachers/Coaches/Advisors, shall have signature rights or authorization over the accounts.

Insurance

BUSD requires 501(c)(3) parent organizations to provide proof of general liability insurance in the minimum amount of \$1,000,000 per occurrence/ \$2,000,000 aggregate.

501(c)(3) parent organizations must attach their certificate of general liability and director's and officer's insurance to the annual application to be submitted to the principal. 501(c)(3) parent organizations must also obtain additional insured endorsements naming BUSD as a certificate holder.

501(c)(3) parent organizations and Fundraising Committees must also provide proof of insurance to venues when holding fundraisers off campus. The Fundraising Committee must inform the venue that the event is not district-sponsored. Proof of Insurance can be obtained by the Office of Administrative Services at 818-729-4473.

Conflict of Interest Policy

Conflict of interest means a conflict, or the appearance of a conflict, between the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust include officers, board members, and volunteers. Fundraising Committee officers, members and volunteers must avoid potential and actual conflicts of interest, as well as perceptions of conflicts of interest. Conflict of interest policies protect the integrity of the school-connected organization's decision-making process. Officers, members and volunteers must make a full written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and must be updated as appropriate.

In the course of meetings or activities, any conflicts of interest in a transaction or decision must be disclosed. Conflicts include situations where an individual (including business or other nonprofit affiliations), their family, and/or their significant other, employer, or close associates will receive a benefit or gain. After disclosure, such members will be asked to leave the room for the discussion and will not be permitted to vote on the question.

Annual Financial Statement

An Annual Financial Statement must be submitted to the district fiscal services office at the end of every school year by both fundraising committees and 501 (c)(3) groups. 501 (c)(3) groups must together submit their financial statement along with the Fundraising Committee Annual Application for the following year.

Budgets and Budget Management

Fundraising Committees must establish budgetary priorities before making financial commitments or obligations supporting school programs. A budget is a financial plan for a period of time. A budget allows the organization to estimate in financial terms what it will fundraise and spend for the school year. Budgets are prepared for a one-year period. The budget allows the organization to estimate how the Fundraising Committee group may support the school program's anticipated expenses. Each Fundraising Committee shall carefully list and estimate income from its proposed fundraising activities for the year, as well as its proposed expenditures for the year. The estimated expenditures shall not exceed the income estimate plus the beginning balance of funds available. Budgets for the next school year should be created and approved in April or May of the current year.

Tax Reporting Requirements

If your Fundraising Committee is its own 501(c)(3), the reports listed below are filed directly by your 501(c)(3) parent organization. See BUSD 501(c)(3) parent organization Booster Financial Manual for detailed information. Failure to file and provide current Federal and State tax and government filings could result in revocation of charitable status and loss of operating and fundraising privileges for programs within BUSD.

If your Fundraising Committee is operating within the District, the groups budget report at year end (June 30 of each year) is required to be submitted to the District. Please submit your spreadsheet of all transactions to the Fiscal Services department for review and audit.

Federal Tax Requirements (IRS)

- Form 990/990EZ/990N tax returns are required annually
- Forms are available online at IRS.gov
- Mail all paper tax returns via **certified mail**
- Form 8868 is required for an extension
- IRS returns are due 5 months and 15 days after fiscal year ends (June 30th year end is due November 15th)
- Schedule B is required if the Fundraising Committee receives a donation of \$5,000 or more from a single donor
- Form 990EZ and Form 990 have additional schedules
- If your gross receipts are:

- Normally equal to or less than \$50,000 – File a 990N (e-card)
- More than \$50,000 and less than \$200,000 and total assets are less than \$500,000

– File form 990EZ

- Equal to or more than \$200,000 or more, and total assets are equal to or more than \$500,000 – File form 990

State of California Requirements (California State Franchise Tax Board [FTB])

- File 199 or 199N annually
- Forms are available at ftb.ca.gov
- If your gross receipts are:
 - Normally equal to or less than 50,000 – File form 199N
 - Normally greater than \$50,000 – File form 199

California State Attorney General Charitable Trust Registration or Renewal

- File the Renewal of Charitable Trust Registration (Form RRF-1) annually
- Form RRF-1 is available at oag.ca.gov
- Gross receipts should match tax return
- Copy of federal return must be sent with the RRF-1
- Fees dependent upon gross receipts

Raffles

This is only allowed if you are a 501 (c)(3). If you are a fundraising committee, this is strictly prohibited

- Any 501 (c)(3) wishing to hold a raffle MUST file for a permit to do so
- Rules, regulations, application and fee due by September 1st;
more information at www.ag.ca.gov/charities/raffles.htm
- “Raffle” vs. “Opportunity Drawing” vs. “50/50s” – **50/50 raffles are ILLEGAL**
- Read raffle financial reporting requirements closely; an aggregate raffle financial report must be completed for all raffles conducted during a reporting year

Casino Nights / Poker Nights

This is only allowed if you are a 501 (c)(3). If you are a fundraising committee, this is strictly prohibited.

- **Each non-profit organization may hold only one gambling fundraiser per calendar year.** For **District fundraising committees**, that means only ONE poker night event can be held by ONE Fundraising Committee. If your 501(c)(3) wishes to have this sort of event, **contact instructional services/fiscal services for more information.**

- The State of California’s Business and Professions Code sections 19985-19987 allow for eligible non-profit organizations to hold “charity poker night” fundraisers.
- Qualified non-profit organizations and suppliers of equipment and/or services for such fundraising events **must submit an Annual Registration Form to the Bureau of Gambling Control for prior approval.**
- The current registration fee is \$100 and it is **non-refundable**, even if the fundraiser is cancelled.
- **No one under age 21 is allowed to participate at these fundraising events**
- Only controlled games as defined by California Penal Code section 337j(e)(1) may be played at these events. The approved games can be found listed on the registration form and additional games are on the Bureau of Gambling Control (BGC) Standard Game List.
- Pursuant to [California Penal Code section 330](#), et seq. slot machines and other games, including roulette, craps, twenty-one, or any banking or percentage game played for anything of value, are prohibited and cannot lawfully be played for charitable fundraising purposes.
- For more information, go to the California State Attorney General’s website at: oag.ca.gov/gambling/charitable

Income Control: Receipts, Deposits, and Disbursements

Receipts

All cash must be counted and submitted to the finance chair for deposit. Money collected by the committee shall be turned over as soon as possible to the finance chair to be counted held in the school safe until a bank deposit can be made (within 5 days of receiving funds). **Using cash to make purchases, pay invoices or pay for services is strictly prohibited.**

The Fundraising Committee finance chair shall provide a receipt for all money received and keep a Receipt Book Log. If the Fundraising Committee sells tickets for an event, the tickets must be handled as cash. All tickets must be numbered and recorded on a Ticket Inventory Form.

Goods and tickets, ordered or sold, and cash received shall be reconciled for each activity by someone independent of the Teacher/Coach/Advisor. Teachers/Coaches/Advisors may not accept money or distribute tickets on behalf of the Fundraising Committee.

Please note: Commingling of funds is strictly prohibited.

To comply with all requirements, regulations and laws, Fundraising Committees must handle only those funds over which it has full control.

Fundraising Committees shall not

- Deposit funds from other groups or organizations in the Fundraising Committee account;
- Deposit Fundraising Committee funds in a personal account; or
- Deposit Fundraising Committee funds in school, school district, or ASB accounts

- Deposit Fundraising Committee funds in PTA or other school-connected organization accounts.
- Deposit by smart phone check depositing applications (violates policy requiring two or more witnesses to the deposit)

Holding Events to Raise Money

Events such as carnivals, harvest festivals, spring fling, Book Fairs, etc.... These types of events require sufficient pre-planning to dedicate adequate time and resources.

- A budget for the event is created by the fundraising committee under the direction of the principal.
- All necessary contracts/agreements will need Board of Education approval and must be presented to the site principal for approval and signature. Committees will need to take care of this no less than three weeks prior to the Board of Education Meeting which precedes the actual event. Contracts/agreements for consultants or services will need to be sent to Instructional Services so they can prepare the Board of Education item.
- When payments need to be made for a service, event, activity, or contract, the principal and/or office manager will work with fiscal services to prepare the P.O. or cut a check. This will likely take 4-6 weeks, so organization and planning will be critical.
- After an event is held, collected monies are counted by a minimum of two (2) committee members unrelated by blood or marriage and not residing in the same household, and must be done in the presence of a BUSD school staff member.
- These funds are documented on a money counting form, signed by the counters and sealed with funds in an envelope, then collected by the principal or site staff designee, and placed in the school safe.
- Following the event, the Office Manager will verify the funds for deposit and sign money counting form, keeping a copy for the office records and providing a copy to the Finance Chair.
- A deposit slip will be created and given to the District's armored car weekly pick up services and delivered to BUSD Fiscal Services.
- Once donated funds are received and processed by BUSD Fiscal Services, then the principal or office manager prepares purchase orders (P.O.) for services. District will provide a standard template for money counting.
- All activities still require Use of Facilities Permit Application, to be completed by administrator or office manager. Costs will be invoiced to the fundraising group for the fundraising event.

Recommended Cash Handling Procedures

- Cash is NEVER to be held and spent on expenses. All payments and reimbursements must be made through the business office through the requisition and purchase order process.
- Separate monies for deposit by fundraising campaign or event (e.g. direct giving campaign, book-fair, game concessions, etc.).

- Make copies of checks and record cash in receipt book(s), by individual donor, for back up and recording of income in the financial files and reports.
- **TWO PERSONS MUST COUNT MONEY AT ALL TIMES IN THE PRESENCE OF A BUSD EMPLOYEE.** These individuals must not be related by blood or marriage or reside in the same household.
- Use money counting form to list all cash and checks. Have your witness verify the money and sign the cash verification form. If someone else takes custody from those counting, the cash verification form must be countersigned by the person taking custody of the money.
- Everyone signing gets a copy of the cash verification form
- Provide copies of the cash verification form, check copies, and cash receipts to the Finance Chairperson and Treasurer.
- Accounting for receipts by donor allows for accurate individual reporting of donations for their personal tax deduction purposes.
- It is required that a tax receipt acknowledgement is sent to those donating \$250 or more to the Fundraising Committee group.
- When filling out your money counting form, check box for BUSD appropriate account string (General or Specific). Form without designated account string will be deposited into the general funds account for the site.
- District will notify principal if no box checked for account string for any deposit.
- Provide copies of the money verification form, check copies, and cash receipts to the Fundraising Committee Finance Chair and Office Manager.
- Endorse checks with site check endorsement stamp/bank account number.
- Fundraising Committee should give receipts for cash.

Disbursements

In general, the internal controls over disbursements should ensure that:

- All disbursements are for items that were included in the budget
- All disbursements are for items that were authorized by the Fundraising Committee and recorded in the minutes
- The finance chair only pays for goods that were authorized and received
- The finance chair maintains adequate records of all expenses.

The following items are general internal controls for disbursements for 501 (c)(3) groups:

- No goods or services are to be ordered in the name of the school or school personnel by Fundraising Committees.
- Goods and services for fundraising or direct Fundraising Committee operations must be ordered under the Fundraising Committee name.
- All disbursements of money belonging to the Fundraising Committee require a valid invoice or receipt.
- All disbursements of money belonging to the Fundraising Committee shall be made by check.
- A minimum of two signatures of non-related officers shall be required on all checks written.

Prohibited Expenditures

Activities intended for the personal benefit of members of the Fundraising Committee or district employees shall not be permitted:

- Articles for the personal use of district employees
- Gifts, loans, credit for district employees or others
- Contributions to fund-raising drives for charitable organizations

Debit/Credit Cards

Debit and credit cards **may not** be used for purchases or withdrawals by any fundraising group. Utilizing these cards violates the two signature rule for disbursements established by BUSD school board policy and sets up the Fundraising Committees for fraudulent activity for unapproved/unbudgeted purchases by anyone who has access to them.

Bank Reconciliations & Audits

Each 501(c)(3) will have at least one bank account with monthly statements. Fundraising committees funds are held in the District. Both the 503(c)(3) and Fundraising committees finance chair provides monthly financial reports monthly at committee meetings. The finance chair also provides the committees monthly statements to the District for reconciliation. This report is entered into the organization minutes.

Each Fundraising Committee is required to do semi-annual internal audits.

Note: Most bonding liability insurance policies require that Fundraising Committee s reconcile their bank accounts monthly and conduct internal audits on a regular basis. Consult your insurance provider's handbook/insurance guide or call your insurance broker for more information.

Fundraising

For fundraising, the principal or designee shall pre-approve materials, performances and publications. Any fundraiser planned by the Fundraising Committee shall only be permitted if properly scheduled with the principal or designee and will not conflict with the school's activities calendar. When the fundraiser is to be held on school property, a Use of Facilities Agreement must be completed and submitted to BUSD.

Door-to-door sales by students are prohibited by district policy.

Fundraising Safeguards

Fundraising Committees must pre-designate the use of funds generated from fundraisers. Any funds not used for the designated purpose will be applied to the Fundraising Committee's general fund for future use. This statement should be noted on all information regarding your fundraiser.

Student Fees, Donations, and Fundraising

The following information serves as a guide for district staff and parents, with the twin goals of school-community cooperation to support programs and legal compliance. Taken as a whole, the intent of this information is to emphasize that the question is not *whether* schools and their communities can raise money to support programs, but *how* funds can be raised through lawful means.

Summary of the Rule

The California Constitution mandates that public education be provided to students free of charge, unless a charge is specifically authorized by law for a particular program or activity.

This constitutional right of free access encompasses all educational activities, **whether curricular or extracurricular, and regardless of whether credit is awarded for the educational activity.**

The right of free access also prohibits mandated purchases of materials, supplies, equipment or uniforms associated with the activity, as well as the payment of security deposits for access, participation, materials or equipment.

Finally, a process that allows for a waiver process for an otherwise mandatory fee, charge or deposit does not render it constitutionally permissible.

Pupil Fees, Student Accounts, and Fundraising Committee Fundraising

Most of the issues revolve around the language in documentation that goes out to parents that implies that payments are required for their child to participate in an athletic or arts activity, field trip, overnight excursion, and other school or district activities.

Asking for Donations

The primary challenge is how to collect sufficient donations to meet the budgetary needs of the program they support. **The critical point is that the donations must be truly voluntary.** A student's participation in a class, program, or activity cannot be conditioned upon receipt of a donation, whether it be cash or material goods.

Much of the income that Fundraising Committees receive is in the form of cash donations from the families of the students in the program. This is sometimes called a "direct ask" campaign, which is exactly what it sounds like: The Fundraising Committee will ask families and community members directly to contribute in support of the program/sport/activity. The request can come as a letter, email, donation drive online, etc.

The critical element is to word the request without implying that payment or donations are mandatory.

Examples of improper language when requesting donations

- A required **minimum** amount of a donation
- A date by which a donation is due (implies the donation is mandatory)
- A lesser donation amount if funds are received prior to a certain date
- Statements or actions that exert explicit or implicit pressure on students or parents to make a donation
- Any statement or explanation related to a donation that could lead a reasonable person to believe the donation may not be truly voluntary

UNACCEPTABLE TERMS: Fee, payment, account, invoice, statement, account balance, amount due, balance due, mandatory, past due, delinquent, minimum donation

NOTE: The reason a student or family does not make a donation is not a subject for inquiry. As the *Hartzell* court said, access to educational programs must not be tied to the *willingness* to pay, not only the *ability* to pay.¹

It is critical that district staff and Fundraising Committee leaders refrain from discussing a student's or family's personal financial status or situation.

If it is suspected that a student is not participating in an activity because his or her family cannot afford a donation, then the messaging about fundraising or donations is not clear. Emphasize at all times that financial contributions are NOT REQUIRED.

Clear communicating for donations:

- Be specific about the needs of the program and explain the costs required to meet those needs
- Ask for donations to help cover the costs of the **whole** program
- Explain that without donations, the program cannot exist

Acceptable language for soliciting donations

- A voluntary donation of \$_____ is appreciated
- Contributions are tax-deductible
- You are encouraged to consider making a donation to the _____ program
- Contributions will cover the cost of ...
- We appreciate your participation in donating to this program

ACCEPTABLE TERMS: Donation, contribution, voluntary, support, sponsor

Fundraising Ideas

Besides asking for cash donation, there are many other ways to generate financial support: Fundraisers, sponsorships, events such as carnivals or performances, concessions sales, silent or online auctions, and more. Thoughtful messaging, creativity, lots of preplanning, and volunteer capacity will determine the success of any fundraising efforts.

NOTE: A requirement to raise funds in order to participate, even if there is no mandated amount to be raised, is the same as requiring a fee. Students are not required to participate in fundraisers.

Student Accounts

501 (c)(3) and Fundraising committees may not institute a "student account" system, with payment

¹ See *Hartzell v. Connell*, 35 Cal. 3d 899, 912-913 (1984)

plans and regular account “balance statements” and reminders that “payments to the account are due”. **Tracking donations by STUDENT is illegal.** Fundraising Committees may keep track of DONORS to make sure that each donor receives acknowledgment and thanks in writing for their gift and a tax receipt, if necessary.

Key Points Regarding Pupil Fees

- A pupil enrolled in a public school cannot be required to pay a fee for participation in an “educational activity”. “Educational activity” is defined as an activity offered by a school or school district, including, but not limited to, curricular and extracurricular activities.²
- A fee may not be charged as a condition for participation in a class or an extracurricular activity, regardless of whether the class or activity is elective or compulsory or is for credit.²
- A payment may not be required to obtain a musical instrument, uniform, or other materials or equipment, unless the student keeps the item(s) for their own use.²
- A “two-tier educational system” is not permitted. This is defined as offering “a minimal educational standard and also offering a second, higher educational standard that pupils may only obtain through payment of a fee or purchase of additional supplies that the school district or school does not provide.”²
- Support entities such as Fundraising Committees, foundations, and parent-teacher associations cannot lawfully collect mandatory fees to support school-sponsored educational programs, including extracurricular activities.³
- No student shall be required to raise a specified amount of money in order to participate in an activity sponsored by a school-connected organization.⁴
- No student can be excluded from participating in the program activities based on ability or willingness to pay.
- Fundraising Committees cannot bill, invoice, send statements or otherwise imply that contributors are being charged fees or are being tracked by student.
- Fundraising Committees CAN “track” donations for purposes of sending an acknowledgement, thank you, and tax receipt to the donor.

² California Department of Education Fiscal Management Advisory 12-02, *Pupil Fees, Deposits, and Other Charges*, April 24, 2013

³ Atkinson, Andelson, Loya, Ruud & Romo Education Law Practice Group, Alert 2012-1001-047, *Governor Brown Signs K-12 Student Fee Legislation, Increasing the Repercussions of Local District and Charter School Non-Compliance*, October 1, 2012

⁴ Burbank Unified School District, Administrative Regulation 1321 Community Relations, *Solicitation of Funds From And By Students*

Donations and Gifts to BUSD

Fundraising Committees shall donate funds raised in support of BUSD programs:

- For use at a specific school site
- For use in a specific program
- For student activities
- For school program transportation
- For any hired employees or contractors

These gifts may be in the form of cash or equipment.

Donations to District for Specific School Site or Program

If a donation of cash or equipment is made to the district, a school or a program, the principal or site administrator must remit a Gift Form (available from the BUSD business office) to the Board of Education for approval of the donation. The business office will deposit the funds into the County Treasury and record the revenue as a donation for that school site. The school site budget will be adjusted to allow the funds to be used for the designated school program. **A gift budget is set up to identify donor funds and to show how they have been spent and the available balance on hand.** Unexpended funds at year-end are carried over to the new budget year for the originally intended use.

Donations of Equipment

Only equipment that is approved by BUSD Board of Education will be maintained and repaired by the district and covered by district insurance. Repairs and maintenance of donated equipment become the responsibility of the school district once the board of education has approved and accepted the gift.

Employees and Consultants

The Burbank Unified School District does not allow parent or Fundraising Committees to hire staff to perform services for the Burbank Unified School District.

If a Fundraising Committee or parent organization wishes to pay for additional and/or extra-curricular services, the person to provide the services must be hired through the Human Resources Department of the Burbank Unified School District. The Fundraising Committee will gift such funds into a district account for the proposed expenses. The funds must be sufficient to pay for the actual services plus and benefits due the employee.

All employees in positions funded by Fundraising Committees where they will work directly with students must go through the same fingerprint screening and LiveScan process as all district employees and will remain on a short-term contract until the duties are completed.

Contracts

Vendor contracts are financially binding to BUSD and must be executed through Business Services. The Assistant Superintendent of Administrative Services, Assistant Superintendent of Educational Services and the Director of Fiscal will review the contract and sign off on the routing form for all contracts initiated from the departments their positions oversee. After these positions have reviewed the contract, it will be sent to Business Services for execution. Every contract is board approved, therefore **please allow 6 weeks for review, board approval and processing**. This means looking ahead at your event calendar, collecting contracts and W-9s for each vendor you wish to contract to send through for processing. Verbal obligations from vendors need to be in writing and included in the contract or added as an addendum.

Obtain contracts/consultant agreements, submit to Board of Education for their approval (prior to event). These documents need to be sent to Instructional Services so the Board of Education of Education agenda item can be created a minimum of three weeks prior to the Board of Education meeting before the event is to take place.

ALL contracts must be routed for signatures.

The director, department head, or principal reviews and processes contracts to ensure:

- All terms are relevant and the contract holds the contractor accountable for producing expected outcome.
- The contract is in compliance with District policy and procedures, state and federal laws.
- The contract is in compliance with funding application and guidelines, when funded out of state or federal funds.
- The contract is cost-effective in providing goods and services.
- The contract is in compliance with District, State and Federal procurement laws.
- The legal terms of the contract protects BUSD.
- Discuss issues with District legal; if deemed necessary by Assistant Superintendent of Administrative Services.

***Contracts must be fully executed prior to a contractor doing any duties/work.**

***If the vendor is not already a BUSD vendor, be sure to attach a signed and dated W-9 along with the contract and requisition.**

Requisitions and Paying Invoices

- Collect all the paperwork, quotes and original receipts for reimbursements you wish to have processed
- One requisition per vendor
- If this is a new vendor, please provide a W-9 so the District can set up the vendor.
- Fill out the requisition form found with all other fundraising group forms:
<https://www.burbankusd.org/domain/527>
- Give requisition to office manager/assistant to process.

Pre-Payments

In the event you need a check ahead of time for a vendor (i.e.-renting lights, chairs...etc...) please follow the following procedure:

- Collect all the quotes, W-9 and paperwork in order to process your pre-payment
- One requisition per vendor
- Fill out the requisition form found with all other fundraising group forms:
<https://www.burbankusd.org/domain/527>
 - Burbankusd.org > community > fundraising committees
- Give requisition to office manager/assistant to process.
- Make sure to remark in the comment section of the requisition “Pre-Payment required” and detail where to have the check sent to for pick up.

Cash Boxes

The finance chair and school site administrator or designee have the ability to check out a cash box for a fundraising event. Here is the procedure for cash boxes and amounts:

| | |
|--------------------------------------|---------|
| Elementary Fundraising Committees | \$500 |
| Middle School Fundraising Committees | \$800 |
| High School Fundraising Committees | \$1,000 |

- Cash bag is removed from safe and recounted for accuracy and placed in fundraising committee’s cash box.
- At the end of the event, the cash should equal the starting amount minus all that was collected for each transaction
- The finance chair and school site administrator or designee count the funds, place the beginning cash balance back into the locked cash bag and placed back into the safe. Two people must count money at all times, in the presence of a BUSD employee following the “recommended cash handling procedures” on page 14.
- The funds collected are accounted for on the cash receipt form and placed in a cash back in the safe.
- Use a money counting form to list all cash and checks. Have your witnesses verify the money and sign the money counting form. If someone else takes custody from those counting, the cash verification form must be countersigned by the person taking custody of the money.
- When filling out your money counting form, check box for BUSD appropriate account string (General or Specific). Form without designated account string will be deposited into the general funds account for the site.
- District will notify principal if no box checked for account string for any deposit.
- Everyone signing gets a copy of the money counting form.
- Provide copies of the money verification form, check copies, and cash receipts to the Lead Finance Chair and Office Manager.
- Endorse checks with site check endorsement stamp/bank account number.
- Fundraising Committee should give receipts for cash.

- Accounting for receipts by donor allows for accurate individual reporting of donations for their personal tax deduction purposes. (This is different than tracking donations per student, which is not allowed - see rules about Individual Fundraising Accounts, or IFA's).
- It is required that a tax receipt acknowledgement is sent to those donating \$250 or more. A Gift Request Form will need to be filled out by the Finance Chair and submitted to fiscal services for these donations. The letter will be sent from the Office Manager or Office Assistant to the donor

Where to Go for Help

Many people are involved in organizations to provide services for our students. Below is contact information for key BUSD members who can solve problems, provide guidance, and answer questions that you may have:

Dr. John Paramo, Assistant Superintendent of Educational Services

johnparamo@burbankusd.org

Debbie Kukta, Assistant Superintendent of Administrative Services

debbiekukta@burbankusd.org

The following BUSD departments are available for assistance with Fundraising Committee programs:

INSTRUCTIONAL SERVICES

Dr. Peter Knapik, Director of Elementary Education

PeterKnapik@burbankusd.org

FOOD SERVICES

(818) 729-4540

busdfoodserves.com

Kathy Sessinghaus, BUSD Food Service Director, KathySessinghaus@burbankusd.org

FINANCE AND ACCOUNTING

Accounting Department (818) 729-4450

Alyssa Low, Director of Fiscal Services

alyssalow@burbankusd.org

Ian Lepatan, Budget Tech – gifts and donations **818-729-4448**

ianlepatan@burbankusd.org

USE OF FACILITIES

Facilities Department (818) 729-5502

Kathy Yeager, Sr. Administrative Secretary, KathyYeager@burbankusd.org