Fiscal Accountability

We have a fiduciary responsibility to our stakeholders to present fairly and with full disclosure the financial position and results of financial operations of our funds and activities.
Leading Legislation

• The School Fiscal Accountability Act of 2006


• Alabama State Department of Education Financial Procedures for Local Schools adopted in June 2010

Types of Fund Raising

Self-Imposed Dues and Fees

• If membership includes game tickets, must transfer 100% of ticket price to admissions¹

• If membership includes parking pass, must transfer 75% of parking fee to public parking²
Types of Fund Raising

Donations

• Request a letter from the donor to reflect how the funds are to be used¹
• Tax deductible under section 170(c)(1)²
• Funds received from a governmental entity, must be receipted at the district office³
• Donations in excess of $1,000 MUST be approved by the CFO before they are receipted⁴

Types of Fund Raising

Grants

• Require submission of an application¹
• Funds must be expensed in compliance with the submitted application²
Types of Fund Raising

Concessions

- Support organization must purchase the supplies
- Members must document a beginning and an ending inventory
- Members must operate the concession
- Members must reconcile cash at end of event
- A facility use fee must be paid

Types of Fund Raising

Commissions

The support organization must
- Promote,
- Distribute,
- Collect, and
- Submit
Types of Fund Raising

Sales

• Elementary students cannot be involved in door-to-door solicitations or sales

• Prohibited from selling raffle tickets in which a prize is won by chance¹

• Prohibited from soliciting funds for non-related organizations²

Types of Fund Raising

Sales, Continued

• Cannot mandate a student participate in a fundraiser

• There can be no negative repercussions for not participating in a fundraiser

• Student may “opt out” of fund raising activity(s)¹

• Like-kind exchanges are allowable with the proper documentation²
Types of Fund Raising

Sales, Continued

• Individual Fundraiser Accounts (IFAs) are unallowable
  ➢ Cannot Solicit funds for personal gain¹
  ➢ All participants must benefit equally²
  ➢ May use incentives to encourage participation³

Program Operating Expense $25,000
  • No of players -25; Individual cost to participate -$1000
    EXAMPLE

OPT OUT
  • 5 OPT OUT; Pay $5000
  • Pay full amount: (2-4) installments or ALL up front
    OR

FUNDRAISER
  • Amounts raised & divided equally among FR
    (20 expected to raise $20,000)
  • Balance remaining divided equally & paid by FR
    Remaining $2000 to be paid by FR (20 pay $100 each)
Types of Fund Raising

Sales, Continued

• Cannot directly support political activities by providing campaign donations or placing advertisements in support of a particular candidate¹

• A facility use fee may be required²

Types of Fund Raising

Sales, Continued

• Food and Beverage Sales
  ➢ Smart Snacks in School¹
    ▪ Food and beverages of minimal nutritional value may not be sold during the school day²
    ▪ Standards do not apply to foods and beverages sold at events held after school, off campus, or on weekends³
    ▪ Standards do not apply to foods and beverages served at celebrations⁴
    ▪ Must have prior approval⁵
Requirements for Fund Raising

- Fundraiser Authorization Form¹
  - If company used, submit form to bookkeeper 30 days prior to contract being signed²
- Report of Fund Raising Activity Form³
  - Tool for determining whether or not the fundraiser is worth doing again⁴

Types of Fund Raising

Hiring a Professional Fundraising Company

- Schedule interviews (how conduct campaign)²
  - Solicit by phone, email, door-to-door or combination
  - Solicit money only or sell products/tickets
  - Will subcontractors be used for any part of campaign
  - Will telephone calls be scripted
  - Will calls be recorded or monitored
- Ensure Data Security³
- Get bids
- Negotiate Transaction Fees (flat fee versus percentage of collections)³
  - Negotiate Commission⁶
- Check referrals/background information¹
Types of Fund Raising

Hiring a Professional Fundraising Company

- Written Contract
- Explain services to be provided
- Explain financial responsibility of each party
- Authorize or prohibit use of subcontractors
- Identify compensation to be paid
- Require review of all materials/scripts to be used¹
- Specify contract period
- Require compliance with FTC’s Telemarketing Sales Rules and applicable state laws²
- Outline cancellation criteria for both parties
- Require periodic financial reports³
- Specify ownership of donor lists

Types of Fund Raising

CROWDFUNDING

- Considered a fundraiser
- Be mindful of what is being requested
- Must obtain prior approval of Principal¹
- Campaign shall be in the name of the school
- Understand acronyms such as AON and KIA²
- Administrative Fee?
- How long funds held?
- Funds received or goods purchased on behalf of school?
- Monitor site throughout campaign
Types of Fund Raising

CROWDFUNDING

- Take campaign offline once goal reached
- Funds under control of Principal
- Comply with district policies and procedures
- If fundraiser include hardware, software or web-based subscription purchases, must obtain prior approval form Chief Technology Officer
- If fundraiser includes land or building improvements, repairs or renovations, or new construction, must obtain approval from Superintendent and Coordinator of Operations

Types of Fund Raising

- **CROWDFUNDING**
  - If fundraiser includes reward program, items received are property of HCS and inventory policies and procedures apply
  - Checks should be made payable to the school, not the teacher
  - All donations should be recorded by bookkeeper in accounting system at each school
  - Pictures, videos and images of students posted on website must comply with policies and procedures
Crowdfunding-Examples

Snap-Raise
- Specifically for schools and teachers
- Monetary Donations
- Agreement has to be signed

Crowdfunding - Examples

Go Fund Me
- Fundraising by individuals, groups, organizations, etc.
- Monetary donations
- Directly connected to beneficiary’s bank account
- Free Fundraising (0% platform fee)
Crowdfunding – Examples

**Donors Choose**
- Specifically for schools and teachers
- Donations made to the site; items will be purchased for teacher/school

Crowdfunding – Examples

**AdoptAClassroom**
- Specifically for teachers
- Donations made to the site; items requested are purchased online by teacher and delivered to the school
Crowdfunding - Advantages

• Utilizes Technology
• Easily Accept Donations
• Share with Family & Friends via social media
• Companies partner with some sites with matching contributions
• Funds collected by third party; one-time payment made to school; keeps cash out of school
• Student safety

Crowdfunding - Disadvantages

• Cost
  • Processing fees
  • Administrative fees
  • Best price for goods shipped?
Crowdfunding - Disadvantages

• Fraud
  • Legitimate site
  • Is direct deposit allowed?
  • Are donor lists sold?

Options for Receipting Funds Raised

• Cash Count Sheet
• Ticket Sales Report¹
• Receipt Book
• Multiple Receipt List (MRL)
• MySchoolFees (online electronic payment)²³
Options for Receipting Funds Raised

MySchoolFees
- Student or Public Payment
- Display “Important Information”¹
- Sell One at a Time or Multiples²
- User Pays Full Amount or User Defines Payment³
- Date Constrained⁴
- Associate an Image with the Fee
- Associate Documents with the Fee⁵
- Email Payment Confirmation to Treasurer
- Multiple Reports⁶

Receipts
- Must be deposited in a timely manner (case by case)
  - Fundraiser one day only vs. weekly sales¹
  - Cannot keep funds overnight; safeguard in school vault¹
  - Off-campus coin machines allowable²
- Cannot make change for check that is written for more than amount due
  - No recourse if returned for insufficient funds
- Expenses must NEVER be paid from receipts or change funds³
Spending Funds Raised

- **Funds for current budget year**
  - Always encouraged to spend the monies on the children the year the funds are raised
  - Request reports from Bookkeeping office for budget planning
  - Meet with Principal for guidance on goals for the school year
  - Request financials for group to match current year budget line items

Additional Resources

- Generally Accepted Accounting Principles
- Governmental Accounting Standards
- Code of Alabama
- Alabama Building Code
- Public Works Law
- Alabama Bid Law
- Alabama Ethics Law
- Alabama Immigration Law
- Child Nutrition Law
- Internal Revenue Service (IRS)
Contact Information

If at any time you have questions or concerns, please contact:

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