

WASBO ASB PROCEDURES MANUAL	PRIVATE MONEY	REVISED 11/06
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INTRODUCTION

Fundraising activities for ASB's are governed by RCW 28A.325.030. The statute clarifies the difference between activities to raise public funds, such as money for school sports programs and schools clubs, from fundraising activities which result in private money for charitable causes.

A revision to RCW 28A.325.030 during the 2000 legislative session amended the statute to permit student groups **in their private capacity** to conduct fundraising activities, including soliciting donations, for charitable purposes. The new law became effective June 8, 2000. If certain conditions are met these funds are considered **nonassociated** student body funds (WAC 392-138-010) and are not public money under section 7, article VIII of the state constitution.

DISTRICT POLICY

Districts must have a school board policy in place identifying activities and controls **before** students may conduct fundraising activities for private purposes. The policy and procedures should establish specific criteria to be met in the examination, evaluation and acceptance of private money and must include provisions to ensure appropriate accountability for these funds.

PROCEDURES

1. The building principal must review and approve the request for charitable fundraising in writing.
2. It is desirable that the school contacts the central business office prior to collecting any contributions in order to review district policy, procedures, and required receipting and inventory controls.
3. Revenue and expenditures for ASB private money **must** be held in private money accounts 600(0) series within the ASB fund or a trust fund of the district.
4. The charitable fundraiser must be approved by the student council and recorded in the minutes if the fundraiser is deposited into the private money 600(0) series.
5. Complete a fundraising request form with the necessary documentation recorded.
6. Funds are to be disbursed for the pre-approved and pre-determined purpose determined by the student group conducting the fundraising activity.
7. If conditions are not followed, the money becomes ASB public money and cannot be disbursed for private purposes.
8. It is suggested that charitable fundraising be limited to a period of not more than two weeks. Coin drives may have a maximum duration of three to four days to limit the work involved in counting and deposit.

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Examples of Charitable Fundraisers:

- to fund scholarships and student exchange programs
- assist families whose homes have been destroyed
- support bonafide charitable organizations
- to fund community projects

ADVERTISING THE EVENT

Prior to the collection of any nonassociated student body private money, notice must be given to potential customers identifying the intended use of the proceeds. The notice shall also state that the proceeds are non-associated student body funds to be held in trust by the school district exclusively for the intended purpose.

RAISING ENOUGH MONEY

Extreme care should be given in the planning stages to ensure a profitable event. When doing product sales or sponsoring an event for a charitable cause, there is a risk in not raising enough funds to cover the cost of the activity. This can be problematic since district funds CANNOT be used to finance the event.

FUNDRAISING FOR NONPROFIT ORGANIZATIONS

There are many nonprofit organizations that have a long-standing history of using students and class time to raise funds for their cause. Although many of these groups exist for truly good causes, districts need to review the activities and determine if they are consistent with the district mission and policies. It is recommended that charitable fundraising be done outside of the class day.

ACCEPTING CHECKS

Customers and donors may choose to write checks for their purchase or donation. Districts must make sure all checks have cleared before remitting proceeds to the charitable cause. Checks that are returned as “non sufficient funds” must be deducted from the amount available. Sometimes a business will match an employee’s donation. These checks may not come in for quite awhile, but when they do, they too, must be processed in the same manner as the other donations.

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TRUST FUNDS vs ASB 600(0) ACCOUNTS

Districts have the option to account for charitable funds in a District Trust fund or in the 600(0) series of the ASB fund. Districts using the 600(0) series of the ASB fund should be aware that the account(s) must be budgeted and approved by the student council. In general, trust funds are the preferred mechanism for handling charitable funds since there is no budgetary requirement. Funds held for more than one year are most appropriately placed in a District Trust fund.

DISBURSEMENT

Expenses of the fundraiser must not exceed the revenue collected. The student council should initially approve the charitable fundraiser, but since charitable fundraising is conducted in the students' private capacity, there is no need for student council authorization for disbursement. Documentation for the disbursement must be sent to the central office Accounts Payable department. A warrant is processed for the remaining balance and sent to the intended recipient.

PRIZES, COMMISSIONS, INCENTIVES

Districts should consider whether prizes, commissions, and incentives will be permitted in conjunction with charitable fundraising. Some districts have taken the approach that student involvement in these types of events should be the result of the student's desire to participate in a good cause, not because they stand to gain personally.

REIMBURSEMENT

The school district shall be compensated for its **direct** costs in providing services to these funds.