

Procedures for Fundraising

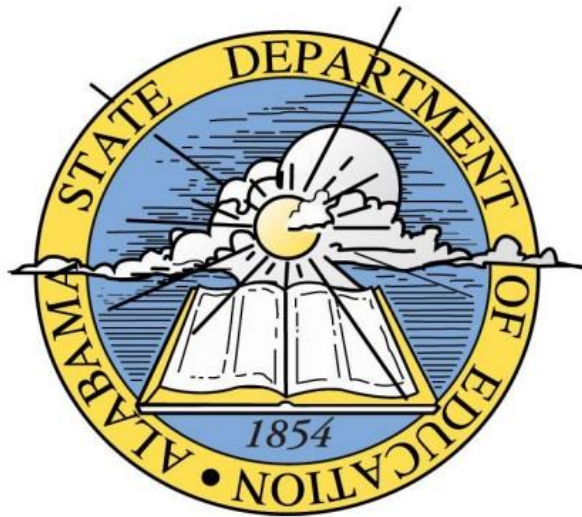
AASBO Local School Financial Management Conference

November 8, 2023

Fundraisers

- Can provide valuable educational experiences for students if properly supervised
- Can also provide the resources for useful projects
- Important that they not become a nuisance to parents and other supporters
- Avoid lengthy time periods
- Should choose fundraisers that encourage a positive spirit and experience

**FINANCIAL PROCEDURES
FOR
LOCAL SCHOOLS**



ALABAMA DEPARTMENT OF EDUCATION

**ALSDE Local School
Financial Procedures Manual**

www.alabamaachieves.org

Fundraising

The Principal must approve each school fundraising activity conducted by students, teachers, school employees, or school-related organizations. The local school board may exempt school-related organizations from this requirement if the activity of the organization is not under the control of the Principal. However, elementary school students must not be involved in any door-to-door solicitations or sales. **No fundraisers may sell foods of minimal nutritional value during the school day.** A form requesting authorization for a fundraising activity must be approved by the Principal prior to the start of the fundraising activity and should contain the following information:

- 1). Date of the request.
- 2). Name of the individual making the request.
- 3). Activity account to receive proceeds from fundraiser.
- 4). Class, club, or organization that will conduct activity, if applicable.
- 5). Name of fundraising project.
- 6). Beginning and ending dates of fundraiser.
- 7). Description of fundraising activity, such as:
 - a). name of company supplying items for sale.
 - b). description of items for sale.
 - c). estimated cost of items for sale.
 - d). sales price of items.
 - e). description and estimated cost of related fundraiser expenses.
 - f). description of method of sales and collections.
 - g). estimated profit from fundraiser.
- 8). Purpose of fundraiser.

Before approving a fundraising activity, a Principal should consider the safety of students involved in the activity. For example, the cheerleader sponsor should supervise events such as a "Car Wash for Cheerleader Camp". The potential profitability for the efforts expended on a fundraising activity should also be considered.

Approved fundraising activities must comply with financial procedures for school funds, including:

- 1). All funds collected must be delivered to the Principal's office for a Master Receipt. Do not cash checks from collections.
- 2). Income from fundraisers must be deposited on a timely basis. Teachers and sponsors of fundraisers should be reminded not to hold fundraiser income until the fundraising project is complete.
- 3). All fundraising expenses, including sales awards to students, must be presented to the Principal for payment by check.
- 4). A school employee cannot receive a gift or gratuity from the fundraising vendor.

Within a reasonable time after completion of the fundraising activity, a form should be submitted to the Principal that documents the result of activity.

Fundraiser Tidbits

- Principal must pre-approve all school fundraising activities through the use of a Fundraiser Authorization Form.
- The Board may exempt school-related organizations from Principal pre-approval requirement if the activity of the organization is not under the control of the Principal.

Fundraiser Tidbits

- The Board's fidelity bond does not cover non-employees.
- Elementary school students shall not be involved in door-to-door solicitations or sales.

Fundraiser Tidbits

- DO NOT use fundraiser cash funds to cash checks or make payments of any kind.
- All funds collected MUST be delivered intact to the school office to be receipted and deposited.
- Funds must be remitted to the office timely and not held by the teacher until all are collected.

Fundraiser Tidbits

- School employees cannot receive a gift or gratuity from a fundraiser vendor.
- If awards or prizes are to be given to students as a result of a fundraiser, all details MUST be documented and approved PRIOR to start of fundraiser.
- Raffles are not legal in the State of Alabama. They are considered to be gambling. Gambling is still not legal.

AG Opinion 89-00168

A Game of Chance

Game of Chance: “Any contest, game, gaming scheme or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that skill of the contestants may also be a factor therein.”

OFFICE OF THE
ATTORNEY GENERAL
DON SIBBLEMAN
ATTORNEY GENERAL
MONTGOMERY, ALABAMA 36130
(205) 261-7400



STATE OF ALABAMA

FEB 10 1989

89-00168

Honorable Donald B. Sweeney, Jr.
Rives & Peterson
1700 Financial Center
505 North Twentieth Street
Birmingham, AL 35203-2607

Education, Boards of - Schools -
Lotteries - Gambling

Under Article IV, Section 65 of
Constitution of Alabama of
1901, school board is prohib-
ited from selling tickets to
raffle in which prize is
awarded by chance.

School board may sell tickets
for chance to participate in
game of skill, with winner of
game awarded substantial prize,
so long as outcome of game does
not depend in material degree
upon element of chance.

Question of whether the outcome
of such game depends in
material degree upon element of
chance must be decided on
case-by-case basis.

Dear Mr. Sweeney:

AG's Opinion 89-00168

Games of Chance

Games of Chance are NOT currently legal in Alabama:

1. Raffles
2. Draw-Downs
3. Patty Drops
4. 10 X 10 Score Grids

Games of Skill or Knowledge are legal.

"Any contest, game, gaming scheme or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that skill of the contestants may also be a factor therein."
(Emphasis added)

In the example you give, i.e., the basketball shooting contest, it is our opinion that the outcome of the contest depends primarily on the element of the participant's skill, rather than chance, and thus, this type of contest would not fall within the statutory definition of a "game of chance."

We must point out, however, that each case must necessarily stand on its own facts, and it is not the function of the opinions division of this office to state whether or not criminal statutes of the state have been violated. Rather, this would be a question to be determined by a jury and/or judge in a court of competent jurisdiction.

CONCLUSION

Under Article IV, Section 65 of the Constitution of Alabama of 1901, a school board is prohibited from selling tickets to a raffle in which a prize is awarded by chance.

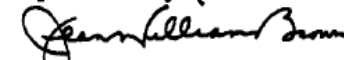
A school board may sell tickets for the chance to participate in a game of skill, with the winner of the game awarded a substantial prize, so long as the outcome of the game does not depend in a material degree upon an element of chance.

The question of whether the outcome of such a game depends in a material degree upon an element of chance must be decided on a case-by-case basis.

I hope this sufficiently answers your questions. If our office can be of further assistance, please do not hesitate to contact us.

Sincerely,

DON SIEGELMAN
Attorney General
By:


JEAN WILLIAMS BROWN
Assistant Attorney General

DS/JWB/jho

Sample Forms Related to Fundraising Activities

- **Fundraiser Authorization Form**

Sample Fundraiser Authorization Form

This example includes before and
after information as required by
Section 4, page 2 of ALSDE
Financial Procedures for Local
Schools

FUNDRAISER AUTHORIZATION FORM James Street Elementary School

Section A

Date(s) of Event: _____ Sponsor: _____

Event: _____ Club/Class: _____

Start Date: _____ End Date: _____

Cost per Item: \$ _____ Items will sell for: \$ _____

Estimated Revenue: \$ _____ Estimated Profit: \$ _____

Description of fundraising activity:

Proceeds will be used for: —(Please specify and initial any shared distribution agreement.)

☐ Approved _____ Date: _____
☐ Disapproved _____ Principal

Section B

To be completed upon completion of fundraising activities:

Acknowledgements: (initials)

Actual Revenue: \$ _____ _____ Bookkeeper

Actual Expenditures: \$ _____ _____ Teacher/Sponsor

Actual Profit: \$ _____ _____ Principal

This form is to be submitted by the teacher(s) sponsoring the fundraising activities. The Principal must approve ALL fund raisers conducted in the school's name. This includes any occurring on or off campus. Sponsoring teacher(s) are responsible for ensuring that all products and funds are accounted for appropriately. Funds collected must be remitted to the school bookkeeper for deposit in a timely manner.

This form and supporting documentation are to be retained by the school office and Section B must be completed. Material discrepancies in projected and actual profit must be explained in writing and attached.

Fundraiser Authorization Form

To be completed
and approved prior
to fundraising
activity

FUNDRAISER AUTHORIZATION FORM James Street Elementary School

Section A

Date(s) of Event: _____ Sponsor: _____

Event: _____ Club/Class: _____

Start Date: _____ End Date: _____

Cost per Item: \$ _____ Items will sell for: \$ _____

Estimated Revenue: \$ _____ Estimated Profit: \$ _____

Description of fundraising activity:

Proceeds will be used for: (Please specify and initial any shared distribution agreement.)

☐

Approved

☐

Disapproved

Principal

Date: _____

Fundraiser Authorization Form

To include final
accounting of
fundraising
activity

Section B

To be completed upon completion of fundraising activities:

Acknowledgements: *(initials)*

Actual Revenue: \$ _____

_____ Bookkeeper

Actual Expenditures: \$ _____

_____ Teacher/Sponsor

Actual Profit: \$ _____

_____ Principal

This form is to be submitted by the teacher(s) sponsoring the fundraising activities. The Principal must approve ALL fund raisers conducted in the school's name. This includes any occurring on or off campus. Sponsoring teacher(s) are responsible for ensuring that all products and funds are accounted for appropriately. Funds collected must be remitted to the school bookkeeper for deposit in a timely manner.

This form and supporting documentation are to be retained by the school office and Section B must be completed. Material discrepancies in projected and actual profit must be explained in writing and attached.

Sample Forms Related to Fundraising Activities

- Fundraiser Authorization Form
- **Transfer Authorization Form**

Transfer Authorization Form

Useful when two or more activities are splitting
proceeds of a fundraiser.

Record all revenues and expenditures in one
activity code throughout the fundraising event.
Once the fundraiser is complete, transfer the
appropriate profit amounts to respective
activities.

AUTHORIZATION FOR TRANSFER OF FUNDS BETWEEN ACTIVITY CODES

Rydell High School

DATE: _____

AMOUNT TO BE TRANSFERRED: \$ _____

FROM ACTIVITY CODE: _____

TO ACTIVITY CODE: _____

Comments / Justification:

Principal

Bookkeeper

Signature of Sponsor/Teacher of Activity from which funds are being transferred

Signature of Sponsor/Teacher of Activity that is receiving funds

NOTE: Funds may NOT be transferred from a public account to a non-public account. TX # _____

Sample Forms Related to Fundraising Activities

- Fundraiser Authorization Form
- Transfer Authorization Form
- **Teacher Control Sheets**

Teacher Control Sheet

Teacher could use this form to keep a record of their student remittances when collecting funds over several days.

TEACHER CONTROL SHEET											
Teacher _____											
Name of Fundraiser _____											
Student's Name	Date	Date	Date	Date	Date	Date	Date	Date	Date	Date	TOTALS
	/	/	/	/	/	/	/	/	/	/	*****
1											
2											
3											
4											
5											
6											
7											
8											
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11											
12											
13											
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16											
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18											
19											
20											
21											
22											
TOTALS											

Contact your CSFO to determine if they allow this form and what dollar amount is authorized.

[illegible]

Filename: Receipt Log less than \$3.docx

Sample Forms Related to Fundraising Activities

- Fundraiser Authorization Form
- Transfer Authorization Form
- Teacher Control Sheet
- **Event Change Distribution Form**

Event Change Distribution Report

Useful when providing
change cash to teachers to
use for fundraiser cash
boxes.

Summary Sheet Event Change Distribution Form Shermer High School

Date: _____

Event: _____

Check #: _____

Amount: \$ _____

Payable to: _____

Change cash shall be distributed to authorized employees, parents and/or volunteers in the following areas to be used for the specified purpose. Change cash shall be re-deposited after each event.

Ticket Booth #1	\$ _____
Ticket Booth #2	\$ _____
Concessions Home Side	\$ _____
Concessions Visitor Side	\$ _____
Parking (Volleyball team)	\$ _____
Parking (Baseball team)	\$ _____
OTHER _____	\$ _____

After cashing the above referenced check, currency is placed in the custody of the below signed recipient. Recipient acknowledges receipt and is held responsible for the timely return of such funds.

Bookkeeper's Signature

Recipient Signature

Principal's Signature

0000-12-1-0115-000-0030-7101-0-0000-0000 Change Cash
0000-12-1-0111-000-0030-7101-0-0000-0000 Cash - Public

Coding of Change Cash

- Never payable to Cash or Bank
- Always payable to Principal
- Could be payable to Asst Principal in Principal's absence
- Change Cash is NOT an expense
- Change Cash is NOT a revenue

CODING of CHANGE CASH

Always write the Check to your Principal or Assistant Principal.
NEVER make any check out to "Cash" or to the bank.

Do not code Change Cash out to an expense account.
Use the asset account of Change Cash (1-0115) as the offset when you write/post the check. NextGen may pop up a window and ask you something like "this is an asset and not an expense account, are you sure?" Tell it Yes and continue.
0000-12-1-0115-000-CCTR-7101-0-0000-0000 Change Cash
0000-32-1-0115-000-CCTR-7501-0-0000-0000 Change Cash

When you take money out of the bank to use for change, you are not expensing the funds because you are not buying anything. You are just changing the money's form (or location) from Cash in Bank to Change Cash. The money is still one of your assets for which you must account. When you write the check, it creates a debit in Change Cash and credits Cash in Bank. You still have that cash; it is just in a different form.

When you get the change cash back after the event, you will receipt the amount of the change funds to the same asset account of Change Cash (1-0115) that was used to write the check, but this time it will credit Change Cash (1-0115) and debit Cash in Bank (1-0111).

Before Event:

Check (written to principal)

Debit 0000-12-1-0115-000-CCTR-7101-0-0000-0000 CHANGE CASH
Credit 0000-12-1-0111-000-CCTR-7101-0-0000-0000 CASH

After Event:

Receipt (Change cash should be noted on the reconciliation sheet after event)

Debit 0000-12-1-0111-000-CCTR-7101-0-0000-0000 CASH
Credit 0000-12-1-0115-000-CCTR-7101-0-0000-0000 CHANGE CASH

Change Cash is an account that you should use to see how much money you have floating around as change. Unless you have more than one change cash check issued for use, it will zero itself out each time you put the money back in the bank. You should be able to look at your balance sheet and know exactly how much cash your school owns and how much change cash is outstanding.

Sample Forms Related to Fundraising Activities

- Fundraiser Authorization Form
- Transfer Authorization Form
- Teacher Control Sheet
- Event Change Distribution Form
- **Ticket Sales & Reconciliation Worksheet**

Ticket Sales and Reconciliation Report

Use to account for the number of tickets sold and determining the appropriate amount of funds that should have been collected.

Also acknowledges change cash to prevent inadvertently overstating revenues.

Danaan Board of Education TICKET SALES REPORT / RECONCILIATION Rydell High School			
Date:	Aug. 29, 1958	Cash Box/Bag #	2
Event:	Football		
If Athletics, Teams:	RHS	vs	BHS
If other activity, Sponsor:			
Price of Each Ticket:	\$ 5.00	Color:	Green
BEFORE EVENT:			
Roll #	(a)	(b)	(a - b + 1)
1	Beginning Ticket #: 1	Ending #: 1000	= 1000 Total Tickets AVAILABLE
2	Beginning Ticket #: 1001	Ending #: 2000	= 1000 Total Tickets AVAILABLE
3	Beginning Ticket #: 2001	Ending #: 3000	= 1000 Total Tickets AVAILABLE
I hereby certify that the above is an accurate listing of all tickets provided for use with this box/bag during this event.			
Bookkeeper/Principal/Asst. Princ.			
We acknowledge the receipt of change cash and above numbered/color tickets to be sold at the above listed price. We acknowledge that all tickets are to be sold or returned to the school office along with all money collected.			
Signature _____ Signature _____ Signature _____			
AFTER EVENT: The Beginning Ticket # (a) is the same number listed in BEFORE EVENT section of form. The 1st Unsold # (b) is the first ticket seen on the roll or length. (ticket #'s NOT sold)			
Roll #	(a)	(b)	(b - a)
1	Beginning Ticket #: 1	1st Unsold #: _____	= 1000 Total Tickets SOLD
2	Beginning Ticket #: 1001	1st Unsold #: 1057	= 56 Total Tickets SOLD
3	Beginning Ticket #: 2001	1st Unsold #: 2341	= 340 Total Tickets SOLD
1396 Grand Total Tickets SOLD			
X \$ 5.00 Price per ticket			
\$ 6,980.00 TOTAL RECEIPTS (calculated)			
+ 1,500.00 Change Cash			
\$ 8,480.00 Minimum Amount to Deposit			
+/- 2.00 Over(Short)			
\$ 8,482.00 TOTAL DEPOSITED			
Deposit ALL money, including change cash and overages.			
Acknowledgement of remaining tickets, receipts and deposit:			
Sign Signature _____ Signature _____ Signature _____			
This form should be completed immediately after ticket sales have ended. Put this form, all money (including change cash) and unsold tickets into locking bank bag and drop into the bank night depository as soon as possible after ticket sales have ended, or if possible return everything to the bookkeeper the same day.			
Next Working Day:			
Acknowledgement of receipt of remaining tickets and funds deposited.			
These employees have retrieved the bank bag from the bank and verified the remaining tickets and funds deposited.			
The following discrepancies, if any, were noted: _____			
_____ Bookkeeper/Other			
Receipt(s) # _____			
Date: _____ Bookkeeper Signature _____ Principal, Asst Princ, Teacher, Other _____			

Ticket Sales and Reconciliation Procedures

Tickets must be sold for any event or fundraiser for which admission is charged.

Ticket sales requires at least 2 people:

1. Sales at one table
2. Ticket collected at door / gate / entrance

Anywhere Board of Education

Ticket Sales and Reconciliation Procedures

The Board of Education requires that for any school event at which admission is charged, pre-numbered tickets must be sold. This applies to any event that is held in the name of any school or authorized club, activity, sport, competition, booster/support group, etc., whether the activity is accounted for within the books of the school or by an external, school-related organization.

“School Event” shall include, but not be limited to the following: athletics (football, basketball, baseball, weightlifting), competition (athletic or academic), dance (Valentine’s Day), meal (spaghetti supper), movie, pageant, faculty w/s students games, or any other fundraising activity that charges admission.

“External, School-Related Organization” shall include any parent and parent/teacher organizations (PTA & PTO), and booster clubs that maintain their own accounting records apart from the school’s records.

The *Ticket Sales Report / Reconciliation* form should be utilized for documenting these events. Each step of the process, from verifying tickets provided for sale and beginning change cash to receipting the funds and remaining tickets after the event, is documented on this form, eliminating the possibility of inadvertently omitting a step and breaking the chain of ownership of tickets and money. This form should follow the cash box/bag and tickets throughout the event and to the bank. If possible, remaining tickets should be placed in the locking bank bag with the money and dropped into the bank night depository or delivered to the bookkeeper for the day’s deposit. If it is not possible to include the tickets, the chain of possession should be well documented.

This form serves our basic purposes for accountability. However, any additional forms or other means that the bookkeeper or principal determines to be necessary for greater control shall be permissible.

Please encourage external, school-related organizations to utilize this type of documentation, as they are also subject to audit and accountability standards.

Athletic Camps

Ex: Football, Baseball/Softball, Cheer

If held on campus, all proceeds are to be deposited into an athletic activity. These are public funds as they use school property, utilities, insurance and personnel.

Paid Parking on School Grounds as a Fundraiser

These are generally public funds.

May be able to split with a portion going to a non-public activity.

Crowd Funding

Contact your CSFO to determine if your Board has a policy regarding crowd funding.

Questions?

Thank you,
Jennifer Hornsby
jenniferhornsby2219@gmail.com