



NEBO SCHOOL DISTRICT BOARD OF EDUCATION POLICIES AND PROCEDURES

SECTION: K – School / Community Relations
POLICY TITLE: School Fundraising Activities
FILE No.: KAC
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Note: When reviewing this policy, the following interrelated policies may need to be referenced:

DJA – Accounting Procedures
DJB – Purchasing
JN – Student Fees
KA – School Facility Use
KAA – Community Education
KAB – Parent Support Organizations
KABA – Donations
KACA – School Advertising Restrictions
KAD – Summer/Out-of-Season Activities

1. PURPOSE AND PHILOSOPHY

The Board of Education recognizes that fundraising at the school level has become an important source of providing for needs over and above those available through regular District sources. The Board also recognizes that issues such as excessive solicitation of businesses and patrons, student safety, undue distractions and time commitments, and financial ethics can arise while Fundraising Activities are undertaken. The Board requires that great care and restraint be exercised by school level personnel in planning and implementing Fundraising Activities.

2. DEFINITIONS

- 2.1 **“Crowdfunding”** is the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the internet.
- 2.2 **“Fundraiser”** or **“Fundraising Activity(ies)”** means a school or District sponsored activity or event that uses students to generate funds. A fundraiser may involve the sale of goods or services, the solicitation of monetary contributions from individuals and/or businesses, or any other lawful means or methods using students to generate funds. The primary purpose of a Fundraiser is to raise monies to provide financial support to the school or any of its classes, groups, teams, or programs. As provided in this policy, certain Fundraising Activities may also be organized to benefit a particular charity or for other charitable purposes.
- 2.3 **“Group Fundraiser”** means a Fundraising Activity in which funds raised are used for the mutual benefit of the team or organization and not to offset the expenses of individual students.
- 2.4 **“Individual Fundraiser”** means a Fundraising Activity in which funds raised by each student are used to pay that individual student's costs.

3. ALTERNATIVE REVENUE STREAMS

- 3.1 In addition to the Fundraising Activities described in this policy, schools may permit certain alternative methods of raising revenue consistent with applicable District policies. If these alternative revenue streams do not use students, they are not considered Fundraisers and are therefore not subject to the restrictions on Fundraisers found in this policy. However, restrictions may be imposed by other District policies. The following are examples of alternative revenue streams.
- 3.1.1 Unsolicited donations. A school may receive a donation that was not solicited by students and for which the donor receives no goods or services in return. Such receipt is not considered a Fundraiser but is subject to the provisions of Nebo School District Policy KABA, *Donations*. However, if students are used to solicit donations, the activity is a Fundraiser subject to this Policy KAC.
 - 3.1.2 Advertising. Consistent with Nebo School District Policy KACA, *School Advertising Restrictions*, schools may receive revenue through the sale of advertising. If students are not used to solicit or conduct the advertising, it is considered an alternative revenue stream rather than a Fundraiser and is not subject to the restrictions specific to Fundraisers found in this Policy KAC. However, if students are used to solicit or conduct the advertising, the activity is a Fundraiser subject to the restrictions of this Policy KAC, including, but not limited to, the limitation on number of Fundraisers found in Section 4.5 and the approval and disclosure requirements found in Section 5.1. No advertising may be conducted except as specifically permitted by Policy KACA.
 - 3.1.3 Unobtrusive programs that don't place pressure on students or parents to participate but that result in the school receiving goods or funds may be considered an alternative revenue stream rather than a Fundraiser. Such programs may include, but are not limited to, Box Tops for Education, Penny Wars, a container into which students may drop donated goods, or other similar arrangements that are passive in nature and do not advertise a for-profit business or entity. Principals must ensure that such arrangements do not undermine or detract from the school's obligation to educate students.
 - 3.1.4 The solicitation of direct donations from patrons may be allowed when the need and use of the funds is identified and approved by the school principal. If the solicitation is made without the use of students, it is considered an alternative revenue stream.

4. APPROVAL PROCESS

- 4.1 All Fundraising Activities must have prior approval by the school principal or designated assistant principal. If the Fundraising Activity is a schoolwide activity, the principal must complete the Nebo School District Schoolwide Fundraiser Parent Disclosure form. If the Fundraising Activity is being proposed by a team, group, or organization, the head coach or advisor is responsible for obtaining approval by completing and submitting the Nebo School District Request for Approval of Fundraising Activity and Parent Disclosure form (hereinafter "Approval Request and Disclosure"). The principal has absolute discretion to withhold approval of any Fundraising Activity. The principal's decision may not be appealed. Before giving approval, the principal or designee will review the following with the head coach or advisor:
- 4.1.1 The purposes of the Fundraising Activity.
 - 4.1.2 How the money will be collected, accounted for, and spent, including finance and auditing procedures.
 - 4.1.3 Guidelines and directions that will be given to students regarding their participation.

- 4.1.4** Potential risks, including student safety, transportation issues, and appropriate supervision.
- 4.1.5** Measures taken to mitigate potential risks.
- 4.1.6** Possible issues related to federal or state law, contracts, or District policies, which include, but are not limited to:
 - 4.1.6.1** Utah State Risk Management Insurance
 - 4.1.6.2** Title IX of the Education Amendments Act of 1972
 - 4.1.6.3** Policy KA, *School Facility Use*
 - 4.1.6.4** Policy KAB, *PTAs, PTOs, Booster Clubs, and Other Parent Support Groups*
 - 4.1.6.5** Policy KABA, *Donations*
 - 4.1.6.6** Policy KACA, *School Advertising Restrictions*
 - 4.1.6.7** Policy KAD, *Summer / Out-of-Season Activity Participation*
 - 4.1.6.8** Policy KAA, *Community Education*
 - 4.1.6.9** Policy IICA, *Student Educational Travel*
 - 4.1.6.10** Policy DJA, *Accounting Procedures*
 - 4.1.6.11** Policy DJB, *Purchasing*
 - 4.1.6.12** Policy DLC, *Personnel Travel*
 - 4.1.6.13** Administrative Directive 5.1, Private, but Public Education Related Activities
- 4.2** Procedures Governing Interaction with Parents, Donors, and Other Organizations
 - 4.2.1** Before a schoolwide Fundraiser may commence, the principal shall ensure that a completed copy of the Schoolwide Fundraiser Parent Disclosure form is provided or made available to the parents of all students in the school. This requirement may be satisfied by posting the completed form online and providing parents with a link to it. No fundraising materials, including fliers or commercially produced literature, may be sent home with students or given to parents unless and until the disclosure form has also been made available. The form must identify the specific financial needs to be satisfied by the Fundraiser. The form must also describe the Fundraiser, including any involvement of students, staff, or third parties. The form must describe how the money will be collected and accounted for.
 - 4.2.2** For a team or group Fundraiser, once the proposed Fundraising Activity has been approved and the principal/assistant principal has signed the Approval Request and Disclosure, and before commencement of the Fundraising Activity, the head coach or advisor must give to all parents/guardians of students to be involved in the Fundraising Activity a complete copy of the Approval Request and Disclosure.
 - 4.2.3** All interaction between employees, students, parents, donors, and other organizations during the Fundraising Activity must be in compliance with District policies and procedures, especially but not limited to Nebo School District Policy KAB, *PTAs, PTOs, Booster Clubs, and Other Parent Support Groups* and Nebo School District Policy DJA, *Accounting Procedures*.

4.3 Disclosure of Financial Interest

- 4.3.1** If the coach, advisor, or other District employee who manages or oversees a fundraising activity also has a financial or controlling interest in or access to the bank account(s) of the fundraising organization or company, the employee must disclose such interest or access on the Approval Request and Disclosure before the activity will be approved.
- 4.3.2** If the administrator who approves a Fundraising Activity also has a financial or controlling interest in or access to the bank account(s) of the fundraising organization or company, the administrator must disclose such interest or access on the Approval Request and Disclosure form. A copy of this form must then be provided to the administrator's immediate supervisor.
- 4.3.3** Other than their normal hourly wage or stipend, no District employee may receive compensation in the form of profits, percentage of revenues, kickbacks, products, gifts, or anything of financial value as a result of a Fundraising Activity.

5. NUMBER AND FREQUENCY

- 5.1** One school-wide charitable Fundraiser per school per year may be allowed (i.e., Walk-a-Thon, Quarters for Christmas, etc.). When a charitable Fundraiser is held, proceeds must be given to the charity rather than to an individual or family, except that in exceptional circumstances the Director of Elementary Education or Director of Secondary Education may approve the giving of proceeds from a charitable Fundraiser to an individual or family. In such cases, the principal should advise the recipient to consult with the recipient's tax advisor or legal counsel regarding possible tax or other legal ramifications for receiving the proceeds.
- 5.2** In addition to a charitable Fundraiser, the Board recommends that each school have only one schoolwide Fundraiser per year. The Board also recommends that each team or group have only one Fundraiser per year. Additional Fundraisers beyond one schoolwide and one group require approval from the applicable director.

6. PERMITTED FUNDRAISING ACTIVITIES

- 6.1** Projects where school organizations buy or have donated raw materials, turn them into a finished product under the supervision of school personnel, and sell them to the public may be allowed. When food is prepared, a food handler's permit will be required. The selling of baked goods, or other food items intended for human consumption, which have been prepared at home by students or parents/guardians is not allowed.
- 6.2** Students may solicit sales, pledges, or contributions from persons known to the student or known to their parents/guardians (i.e., friends, neighbors, relatives, co-workers, business associates, etc.). However, students may not engage in such solicitation from persons not known to the student/parent/guardian. **Door-to-door sales to individuals not known to the student or parent are prohibited.**
- 6.3** Subject to the provisions herein, schools may enter into contractual agreements with vendors or other third parties to conduct Fundraisers.
 - 6.3.1** School Visitation Pass Required
 - 6.3.1.1** Vendors and other third parties must be approved by the Operations Department and issued a School Visitation Pass, as described in Nebo School District Policy KACA, *School Advertising Restrictions*, before contacting a school or employee to solicit involvement in a Fundraiser.
 - 6.3.1.2** Employees contacted by a vendor who does not have a current School Visitation Pass may not enter into any contract with the vendor or otherwise

use the vendor's products or services but shall instead refer the vendor to the Operations Department.

- 6.3.1.3** The Operations Department will assure that the vendor is aware of the provisions of this policy and any other applicable District policies and procedures, and that the vendor has satisfied all licensing and registration requirements in accordance with Utah law.
- 6.3.1.4** Issuance of a School Visitation Pass does not indicate District sponsorship of the vendor, its products, or its services, nor does it indicate that the vendor's proposal complies with District policies. School administrators must evaluate a vendor's involvement in a Fundraiser and assure compliance before approving the Fundraiser.
- 6.3.1.5** Any vendor who purports to be District-sponsored, who intentionally violates District policy, or who provides false or misleading information about another vendor will have its School Visitation Pass revoked for the remainder of the school year.
- 6.3.2** Contracts with Fundraising vendors must be signed by the school administrator.
- 6.3.3** When a Fundraiser is conducted under a contract with a third party, only those funds received by the school are Public Funds.
- 6.4** The solicitation of money, goods, and/or services from local businesses is a Fundraiser and is subject to the requirements of this policy, including school administrative approval. School administrators are encouraged to be sensitive to the number of school Fundraising Activities which solicit directly from local businesses and must strictly enforce the prohibition against multiple Fundraisers. School administrators shall document and impose limits upon the number and type of school Fundraising Activities that are permitted to approach local businesses for contributions.
- 6.5** "Adopt a School" or other school-business partnerships which result in the school receiving funds, services, or materials may be allowed and are encouraged. Partnerships must be formed in accordance with Nebo School District Policy KACA, *School Advertising Restrictions*.
- 6.6** Certain Fundraisers may be coordinated with the Nebo Education Foundation with authorization by both the school principal and the executive director of the Nebo Education Foundation. In such event, the donations by individuals, businesses, and entities may be characterized as a charitable donation and possibly be tax deductible. In order for donations to be characterized as a charitable donation for tax purposes, the donor must not receive any goods, services, or other consideration in return for the donation.
- 6.7** Crowdfunding activities are Fundraisers and are subject to all the requirements set forth in this policy applicable to Fundraisers. If a crowdfunding activity uses a third-party vendor, the vendor is subject to all requirements found in subsection 6.3.

7. RECEIPT AND USE OF FUNDRAISING PROCEEDS

- 7.1** Proceeds from Fundraising Activities must be received in compliance with Nebo School District Policy DJA, *Accounting Procedures*.
- 7.2** The District, including any of its schools, maintains full discretion on whether to accept any proceeds from Fundraising Activities. Consistent with Nebo School District Policy KABA, *Donations*, the District may provide a charitable donation receipt for fundraising proceeds if the donor received no goods or services in exchange for the proceeds.
- 7.3** The proceeds of any Fundraising Activity may be used only consistent with this section and only for the purpose identified and approved in the Approval Request and Disclosure.

- 7.4** Proceeds of Fundraising Activities may not be used to hire additional personnel or to cover or augment the salary/stipend of existing personnel.
- 7.5** Surplus or unused funds from Fundraising Activities, whether Individual or Group, must be used for other immediate program expenses or they revert to the school. In no case will surplus funds revert to students or parents, and surplus funds should not be held over from year to year.
- 7.6** Students who earn money through an Individual Fundraiser may be credited an appropriate amount against any costs that are assessed individually to them by the organization sponsoring the Fundraiser. However, surplus or unused funds revert to the team/group sponsoring the Fundraiser and not to the student or parent.
- 7.7** The costs associated with each school program are divided into four categories: (a) facilities expenses, (b) basic program expenses, (c) uniform expenses, and (d) travel expenses.

7.7.1 Facilities Expenses

7.7.1.1 Facilities expenses include the purchase, construction, renovation, improvement, and maintenance of any facility or long-term equipment used by school or District programs.

7.7.1.1.1 Facilities include, but are not limited to, fields, stadiums, bleachers, score boards, marquees, gymnasiums, tennis courts, auditoriums, training facilities, etc.

7.7.1.1.2 Long-term equipment is equipment that is typically used for more than one year and includes but is not limited to items such as blocking sleds (football), wrestling mats, pitching machines, batting cages, basketball hoops, etc.

7.7.1.2 Fundraising proceeds are not generally allowed for facilities expenses. No Fundraising Activity may be held for purposes of covering or supplementing facilities expenses unless specific approval is obtained from the Superintendent, the Director of Operations, and the applicable Secondary or Elementary Director.

7.7.2 Basic Program Expenses

7.7.2.1 Basic program expenses are the expenses required to run a particular school program as determined by the Department of Secondary Education or the Department of Elementary Education. Basic program expenses include but are not limited to the following: consumable supplies; officials/referees; uniforms, except as provided in Section 5.8.3 below; equipment; and transportation and admission to in-season games, tournaments, and performances.

7.7.2.2 Participation fees as defined and listed in Nebo School District Policy JN – Student Fees are expected to cover basic program expenses. Fundraising proceeds are not generally used to cover or supplement basic program expenses; however, approval for specific needs may be granted by the school principal. Fundraising Activities held to raise money for basic program expenses must be held for specific items enumerated in the Approval Request and Disclosure and not merely as general program needs.

7.7.3 Uniform Expenses

- 7.7.3.1** Uniform expenses include the cost of uniforms for those organizations specifically listed in the Nebo School District High School Fee Schedule under the category Maximum Per-Student Uniform Expenditure.
- 7.7.3.2** Proceeds of Individual and Group Fundraisers may be used to cover or supplement uniform expenses up to the maximum amount allowed under the Fee Schedule. The total amount spent on uniforms may not exceed the amount allowed under the Fee Schedule regardless of whether the funds come from Fundraisers, students, or a combination of both.
- 7.7.4** Travel Expenses
 - 7.7.4.1** Travel expenses include all costs associated with overnight travel as defined in Nebo School District Policy IICA – Student Educational Travel, including but not limited to transportation, housing, meals, registration fees, entrance/admissions fees, and other costs as disclosed to and approved by parents as required by Policy IICA.
 - 7.7.4.2** Proceeds of Individual and Group Fundraisers may be used to cover or supplement student travel expenses.

8. GENERAL RULES AND RESTRICTIONS

The following specific rules govern all Fundraising Activities. The Board authorizes the Superintendent's staff to develop Administrative Directives, practices, and procedures to clarify these rules and restrictions as questions arise.

- 8.1** Consistent with Nebo School District Policy DJA, *Accounting Procedures*, fundraising revenues should be accounted for at an individual contribution level or participation level. Participation logs should be retained.
- 8.2** A District tax exempt status number may be used only in accordance with Utah State Tax Commission guidelines and applicable Nebo School District policies, including but not limited to Nebo School District Policy DJA, *Accounting Procedures* and Nebo School District Policy DJB, *Purchasing*.
- 8.3** A receipt for donations shall be issued in accordance with Nebo School District Policy KABA, *Donations*.
- 8.4** No rewards or prizes may be offered to groups, classes, or students unless specifically approved by the school principal and by the applicable Elementary or Secondary Director. No rewards, prizes, commissions, kickbacks, or other direct or indirect compensation may be received by any District employee or volunteer.
- 8.5** Student grades or citizenship standing shall not be affected by a student's ability or willingness to participate in any Fundraising Activity.
- 8.6** Sales quotas for students may not be a part of any Fundraising Activity, and students may not be required to pay for any unsold items which are returned to the school.
- 8.7** Students may not participate in a Fundraiser for a team or organization to which they do not belong. For example, a sport for which students must try out may not hold a Fundraiser that uses students trying out for the team but who have not yet been selected for the team. Only those students who make the team may participate in the Fundraiser.
- 8.8** Students shall not be required to participate in a Fundraising Activity as a condition for belonging to a team or group; nor shall a student's participation or lack thereof affect his/her play time or standing on said team or group. Students must be given the opportunity to directly pay the costs that are assessed to them. Students may not be assessed fees in excess of the Board approved Fee Schedule.

- 8.9** Students who qualify for fee waivers are encouraged to participate in Fundraising Activities as part of the requirement to work in exchange for the fees waived. Sales quotas may not be established as a condition for fee waiver.
- 8.10** An individual student or group of students may not use the facilities or resources of the school to conduct a personal fundraising effort not sponsored by the school except on a rental basis as outlined in Nebo School District Policy KA, *School Facility Use*.
- 8.11** Raffles are illegal in Utah and are, therefore, prohibited as a Fundraising Activity. A raffle is defined as an activity in which people purchase an opportunity to win something which is ultimately determined by chance.
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EXHIBITS

None

REFERENCES

Utah Admin. Code R277-113

FORMS

Nebo School District Request for Approval of Fundraising Activity and Parent Disclosure
Nebo School District Schoolwide Fundraiser Parent Disclosure

HISTORY

Revised – March 14, 2018. Rearranged some sections; modified definitions; expanded requirements for school visitation pass; addressed crowdfunding activities; made technical changes.

Revised – December 14, 2016. Modified definition of fundraiser; created alternative revenue streams; made technical changes.

Revised – February 9, 2016. Added requirement for vendor approval; principal to advise recipients of charitable fundraisers; requirement for schoolwide disclosure form; removed requirement for parental permission before materials sent home; made technical changes.

Revised – May 14, 2014. Substantial revisions due largely to R277-113 and guidance from state auditors.

Revised – June 13, 2012. Requirement that request for approval be completed by head coach or advisor.

Revised or Adopted November 10, 2010.
