

	State of Hawaii Department of Education Standard Practice (SP) Document	Office of Fiscal Services
Document No. SP 1914	Distribution: CASs, Principals, SASAs, School Office Personnel, CABMs, ASAs	Release Date: 3/14/2017
SUBJECT	Non-Appropriated Student Activity Fund; Fundraising Activities	

1. Purpose

To provide an overview of school fundraising procedures.

2. Effective

Immediately.

3. Applies to

All Schools.

4. Fundraising Activities Are Governed by the Following Conditions

- (a) Fundraising is a money raising activity conducted by students for the benefit of a school-recognized or school-sponsored group, such as: grade/graduating class, club, sports team, or the school-wide student body. Fundraising activities generally involve providing a good or service in exchange for monies from other students, school faculty, or the community. Activities within the schools and community are allowed upon approval by the Principal. All revenues and expenses for fundraisers must be processed through SAF.
 - (1) A book fair may be accounted for in SAF as a fundraiser. (Sometimes, the book fair vendor makes a donation to the school, which would not be treated as a fundraiser.)
 - (2) Community donation drives like eScrip, and Foodland's Shop for Better Education are to be treated as donations, not as money raising activities.
- (b) Fundraisers are approved through the Money-Raising Activity (Form 422). This form must be prepared and approved by the Principal in the Action section of the form prior to conducting the activity. A fundraising activity should be for raising money for the stated educational purpose and documented on the Money-Raising Activity (Form 422). See Forms.
- (c) Schools are required to maintain a log on Money-Raising Annual Report (Form 422A) and a file for the form, Money-Raising Activity (Form 422), of all money raising activities conducted by the school sponsored organizations and program activities of the School. A form such as Record of Collection by Individuals (SAF-R1) may be used to log details of a specific activity.

- (d) Each fundraising activity shall have a Sub-Category number in SAF. A copy of the approved Money-Raising Activity (Form 422) must be provided to the school office so a Sub-Category can be established in SAF.
 - (1) When the Sub-Category is established, the fundraiser's Advisor's name should be input into SAF by using the Modify tab in the Category (Chart of Accounts) menu. This will help ensure good communication with the Advisor regarding the financial status of the fundraising activity.
 - (2) If a Sub-Category is already established from prior fundraising activities, note it on the Money-Raising Activity (Form 422). Ensure the Sub-Category balance is \$0 before beginning a new fundraising activity using the Sub-Category.
 - (3) The Principal may require the school office to print a Detailed Category Summary Report #1 or Report #2 from SAF for the fundraiser's Sub-Category each quarter for the Advisor to review.
- (e) Any fundraising activity with anticipated gross revenues exceeding \$25,000 shall be approved by the Complex Area Superintendent and a final report must be submitted within 15 calendar days of completion of the activity.
- (f) All fundraisers must comply with the Board of Education Policy 103-7, Food Sales; Board of Education Policy 103-1, Health and Wellness; and Board of Education Policy 303-12, Commercialism.
- (g) The duration of the fundraising activities should conclude at the end of the school year. If the activity needs to extend over more than one school year a new Money-Raising Activity (Form 422) must be submitted for the summer or the new school year.
- (h) The balances (or deficits) from each of the fundraising activity Sub-Categories must be transferred in SAF to the appropriate organization's main Category at the end of the money raising activity or by year-end, whichever occurs first. A deadline should be established to allow time to collect the funds that have not been turned in, and transfer the balance to the main Category before the SAF Rollover.
- (i) If the fundraising activity is completed and the fundraising Sub-Category balance is negative, the main Category must cover the deficit before the end of the school year. If the main Category is not able to cover the deficit, consult with the Principal.
- (j) Money received from a school fundraiser shall be used for the benefit of all students involved in the fundraiser. Fundraised monies shall not be refunded due to individual cancellations for travel or events.
- (k) At the conclusion of the fundraising activity, the Money-Raising Activity (Form 422) must be completed with the actual financial results. The Principal or Designee must review the actual revenues and expenditures before signing and dating the Financial Report section of the form. If the SAF Sub-Category balance for the fundraiser does not match the "Actual" amount on the form, the difference must be researched and corrected (in SAF or on the Money-Raising Activity (Form 422)). See Forms.
- (l) An annual report to the Complex Area Superintendent of all fundraising activities for the school year must be completed on the Money-Raising Annual Report (Form 422A) by the close of each school year.
- (m) At the end of the school year, the school office should verify that the Money-Raising Annual Report (Form 422a) is reconciled with the amounts reported in the respective Fundraiser Category Umbrella. Print the SAF Overview Umbrella Category Summary Report (Report #5) to ensure that all Sub-Categories under Fundraising have \$0 balance at the end of the school year.

- (n) School sponsored fundraising activities are exempt from Hawaii general excise taxes to the Department of Taxation when deposited and expended through the Student Activity Funds bank account. Reference State of Hawaii Department of Taxation publication Tax Facts 98-3 about Tax Issues for Hawaii Nonprofit Organizations. Clubs with external bank accounts are NOT exempt from this tax obligation.

Guidelines for Exemption From Payment of General Excise Tax	
1.	All money raising activities must be sponsored by the school and school sponsored organization (yearbook/newspaper, class/grade/club, sport team, student government).
2.	All money raising activities must be approved by the Principal prior to conducting the money raising activity.
3.	All proceeds from the money raising activities must be receipted, processed, and disbursed from the Non-Appropriated Student Activity Fund.
4.	Each money raising activity shall have a sub-Category account number within the main Category for each money raising activity,
5.	After the money raising activity is completed and all receipts and disbursements cleared, funds remaining in the money raising Sub-Category must be transferred out to the main Category or General School Category.

5. Prohibited Fundraising

- (a) Hawaii Administrative Rules, Title 8, Subtitle 2, Part 1, Chapter 46, Community Fund-Raising Drives Among Students prohibits community sponsored fund-drives and money-raising activities at the student level. The Superintendent may make exceptions based on criteria cited in the rule. See link in References.
- (b) The Hawaii State Ethics Commission may issue guidance to a school if there is a concern about a specific type of fundraiser. Fundraising activities that are not school sanctioned include private business activities, fundraising for charities (other than those that have been found by the State to serve a State purpose, e.g., Hawaii Food Bank, and Aloha United Way), fundraising that benefits State employees and their relatives (e.g., Little League teams or Girl Scout Cookies) and political campaigns. See additional information in References.
- (c) Schools are not allowed to use games of chance, such as raffles, bingo games, and/or beauty contests, for fundraising purposes.

6. SP Maintenance Responsibility

The Accounting Services Branch is responsible for maintenance, administration, and questions regarding this SP.

7. References, Resources, and Forms

The following resources may provide access to statutory, policy, and contractual authorities; and closely related SPs, procedures, and forms.

- (a) Board of Education Policy 103-7, Food Sales
<http://boe.hawaii.gov/policies/Board%20Policies/Food%20Sales.pdf>
- (b) Board of Education Policy 103-1, Health, Wellness, and Safety Policy

- <http://boe.hawaii.gov/policies/Board%20Policies/Health%20and%20Wellness.pdf>
- (c) Board of Education Policy 303-12, Commercialism
<http://boe.hawaii.gov/policies/Board%20Policies/Commercialism.pdf>
- (d) HAR Chapter 46 Community Fund-Raising Drives Among Students
<http://boe.hawaii.gov/policies/AdminRules/Pages/AdminRule46.aspx>
- (e) Hawaii State Ethics Commission Guidance
https://intranet.hawaiipublicschools.org/offices/ofs/saf/SAF_resources/Shared%20Documents/Memo%20-%20Ethics%20Commission%20Guidance.pdf
- (f) State of Hawaii Department of Taxation Tax Facts 98-3
<http://files.hawaii.gov/tax/legal/taxfacts/tf98-03.pdf>

Forms

- (g) Money-Raising Activity (Form 422)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/MONEY-RAISING%20ACTIVITY.pdf>
- (h) Money-Raising Annual Report (Form Report 422A)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/MONEY-RAISING%20ANNUAL%20REPORT.pdf>