



ADMINISTRATIVE PROCEDURE

CATEGORY: Community and Public

SUBJECT: Fundraising Activities by Nondistrict Organizations (PTAs, PTOs, Foundations, Booster Clubs, and Other Organizations)

A. PURPOSE AND SCOPE

1. To outline administrative procedures governing school site administration’s interaction with Nondistrict Organizations, (i.e. PTAs, PTO,s, foundations, booster clubs, and other organizations).
2. **Related Procedures:**

ASB food sales	2270
Civic center use of buildings, groups, and equipment	9205
Fundraising Activities by Nondistrict Organizations (No School Proceeds)..	9326
School clubs, general	6240
Shoes and clothing	6330
Student body fundraising	2265
Winter holiday assistance projects	6335
3. Limitations on storage of combustible materials such as paper collected in paper drives are covered in Procedure 5105.

B. LEGAL AND POLICY BASIS

1. **Reference:** Board policy: D-4010, F-3800, H-8650, H-8800, I-1200, I-1210, K-9100, Education Code sections 51520, 51521; Internal Revenue Code section 501.
2. **Policy.** The district shall not endorse or recommend any product or service, commercial or otherwise, except in cases where the board, or its designee, has approved an exclusive provider.
3. **Solicitations on School Premises**
 - a. **Generally, solicitation of students on school premises is prohibited by Education Code section 51520, which states:**

During school hours, and within one hour before the time of opening and within one hour after the time of closing of school, pupils of the public school shall not be solicited on school premises by teachers or others to subscribe or contribute to the funds of, to become members of, or to work for, any organization not directly under the control of school authorities
 - b. **Exceptions (nondistrict groups).** As stated in Education Code section 51520:

. . . unless the organization is a nonpartisan, charitable organization organized for charitable purposes by an act of Congress or under the laws of the state, the

purpose of the solicitation is nonpartisan and charitable, and the solicitation has been approved by the county board of education or by the governing board of the school district in which the school is located.

- c. **An organization seeking authorization** to solicit pursuant to B.3.b., as a charitable organization, must present a letter or certificate issued by Internal Revenue Service pursuant to Section 501 of Internal Revenue Code.
 - d. **Nothing in this section shall be construed** as prohibiting solicitation of students of the public schools on school premises by students of that school for any lawful purpose. (Education Code section 51520)
4. **Solicitations on Behalf of a School (Proceeds for the benefits of the school)**
- a. **Generally, solicitation on behalf of a school is prohibited by Education Code section 51521, which states:**
 - No person shall solicit any other person to contribute to any fund or to purchase any item of personal property, upon the representation that the money received is to be used wholly or in part for the benefit of any public school or the student body of any public school. . . .
 - The prohibitions of this section shall not apply with respect to any solicitation or contribution the total proceeds of which are delivered to a public school, nor to a solicitation of a transfer to be effected by a testamentary act.
 - b. **Exception:** The prohibition contained in B.4.a. shall not apply to any solicitation receiving prior approval of the superintendent as the governing board's designee or of the superintendent's designee.
 - c. **In granting or denying an application** of any person to engage in fundraising activities the principal shall consider the following criteria:
 - (1) The purposes of the fundraising activity, which must be nonpartisan, nonpolitical, nonsectarian, and nondenominational.
 - (2) The manner in which the fundraising activity will be conducted (e.g., demand made on staff or instructional time and district materials must be minimal).
 - (3) Identification of the sponsors, officers, and individuals participating in the fundraising activity.

- (4) Disclosure of the identity and location of any “parent” organization with which the soliciting organization is affiliated with or of which it is a subsidiary.
- (5) School/community and school/parent relation aspects of specific fundraising activities.

C. GENERAL

1. **Originating Office.** Suggestions or questions concerning this procedure should be directed to the Legal Services Office.
2. **Definitions**
 - a. **Organizations directly under the control of school authorities:** The Associated Student Body organization, or other recognized student group, at a particular school and those school clubs or student groups approved under Procedure 6240. (Refer to Procedure 2265 for student body fundraising).
 - b. **Money received is to be used, wholly or in part, for the benefit of any public school or the student body of any public school:** A fundraising activity from which a substantial part of the profits received are to be returned to a particular school, concurrently or in the future, or to an organization (of a particular school).
 - c. **Nondistrict Organization:** PTA, PTSA, nonprofit, foundation, association, or booster club that exists and operates independently of the district.
3. **Regulations**
 - a. **District endorsement.** Since the district shall not endorse or recommend any product or service, commercial or otherwise, except in cases where the board or its designee has approved an exclusive provider, staff members must inform the principal about any collection or drive that claims to have the sanction of the district.
 - b. **District employees**
 - (1) In their capacity as district employees, have no authority to work for an nondistrict organization, defined herein, during their district hours. However, a district employee in that capacity and during duty hours could interact with such an organization when required to discharge his/her duties as a district employee.

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- (2) Will not be employed by a nondistrict organization defined herein without prior approval from the district's Human Resource Services Division.
 - (3) A district employee, acting in his/her personal capacity and personal time, would be free to establish such an organization, or to participate in its operation or activities. The employee should ensure that participation in any particular nondistrict organization endeavor does not present a conflict of interest with respect to the discharge of his/her duties as a school employee. The employee should also make it clear that his/her participation is in his/her personal capacity and not as a district employee.
- c. A nondistrict organization that solicits or raises funds on behalf of the district or school shall provide a copy of the fundraising activity's income and expense reports and shall grant to the Board of Education the right to audit their financial records at any time either by district audit personnel or by an outside auditor.
 - d. **The district's tax exempt status and Federal Identification** number are not for the nonprofit organization, foundation, or booster club's use.
 - e. **The nondistrict organization's** funds and accounts shall be kept completely separate from school and Associated Student Body accounts. The organization shall be responsible for their own bookkeeping and accounting.
 - f. **Request to conduct a fundraising activity.** Nondistrict Organizations and individuals requesting permission to conduct a fundraising activity must complete and submit a "Request For Approval Of Fundraising Activity By A Nondistrict Organization" form (E.1.) to the principal.
 - g. **Response to request to conduct fundraising activities** at a particular school pursuant to Education Code section 51521 (B.4.b.).
 - (1) Approval of the principal must be received prior to initiation of any fundraising activities at a school by a nondistrict organization.
 - h. **Nondistrict organizations with standing authorization to conduct collections or drives**
 - (1) Red Cross organizations, by virtue of their form of organization and sponsorship, shall be deemed to be under the jurisdiction of the district, and therefore are authorized agencies.
 - (2) PTA membership drives are authorized as an exception to Education

Code section 51521. Children are permitted to take membership envelopes home and return membership fees to school.

i. **Fundraising activities held at a school for the benefit, in whole or in part, of that school:**

- (1) Nondistrict organizations may raise funds and donate those funds to the district or purchase items with their funds for donation or assistance to the district.
- (2) Nondistrict organizations may donate funds to the student organization(s); however, after they do so, only the student organizations can control how the funds will be used.
- (3) School fundraisers operated by the school through the support of parent groups that are not officially organized are fundraisers of the school and all financial transactions must pass through the school office. The principal shall control all collections, deposits, and expenditures of monies, whether the transaction is by cash or by check.
- (4) Fundraising activities should be conducted for a specific goal and not simply to raise money for the nondistrict organization.
- (5) Nondistrict organizations are permitted to fundraise on campus during the school day, if the organization is a nonpartisan, charitable organization, organized for charitable purposes by an act of Congress or under the laws of the state, the purpose of the solicitation is nonpartisan and charitable, and the solicitation has been approved by the principal of the school through the fundraising approval process contained in D.2.
- (6) The nondistrict organization's name, address or any other correspondence should never imply any form of responsibility on the part of the ASB or district.

D. IMPLEMENTATION

1. **Site Interaction With Nondistrict Organization**

- a. **Principals** meet with nondistrict president, officers, and advisors at the beginning of school year.
- b. **Obtain a copy** of the nondistrict organization's determination letter or certificate of nonprofit status pursuant to Internal Revenue Code section 501.

- c. **Explain how the school's calendar of activities operates**, who must be contacted to place events on the calendar, and when and how events are placed on the calendar.
- d. **Explain school regulations** regarding use of facilities as stated under Procedure 9205.
- e. **Explain district regulations and procedures** related to fundraising activities during the school day when school personnel and students are involved.
 - (1) Explain fundraisers may only be conducted by nondistrict organizations with nonprofit status that is verified by the site principal.
 - (2) Explain that nondistrict organization funds and accounts are to be kept completely separate from student body account.
 - (3) The school district's tax exempt status and Federal Identification number are not for their use.
 - (4) The nondistrict organization is responsible for its own tax status, bookkeeping and accounting.
- f. **Explain the type of student trips** that require administration and/or board approval.
- g. **Obtain the names, addresses, and telephone numbers** of all organization officers and a brief description of their job responsibilities.
- h. **Explain that activities planned by the nondistrict organization** shall only be permitted if properly scheduled according to the rules of the school.
- i. **Inform the nondistrict organization that they are required** to provide a copy of income and expense reports for all fundraisers conducted on behalf of the school.
- j. **Explain to the nondistrict organization that they are required** to grant to the Board of Education the right to audit their financial records at any time by either the district's internal auditors or by an outside auditor.
- k. **Explain that the nondistrict organization may not hire** district employees without prior approval from the district's Human Resource Services Division.
- l. **Explain to the nondistrict organization** that any fundraiser conducted during instructional time must have instructional value.

2. Fundraising Activities

- a. **Requesting organization or individual** completes a “Request for Approval of Fundraising Activity by a Nondistrict Organization” form and submits to the principal.
- b. **Principal performs all of the following;**
 - (1) Evaluates request relative to regulations, criteria, and limitations outlined herein. and recommends approval or disapproval. Signs the form and provides a copy of the signed form to the requesting organization or individual.
 - (2) Verifies that any fundraiser conducted during instructional time has instructional value.
 - (3) Notifies parents/guardians of the specific fundraising groups their memberships, purpose and goals as well as any fundraising event(s) planned for the year.
 - (4) Notifies parents/guardians of their right to opt their child out of fundraising.
 - (5) Notifies Area Superintendent of all fundraising events for the school year.
 - (6) Maintains official file at the school site, which should include parent notification, a copy of the signed approval form and any other related documents. It is required that the documents remain on file for at least three school years.

E. FORMS AND AUXILIARY REFERENCES

1. Request For Approval Of Fundraising Activity By A Nondistrict Organization, Attachment 1

F. REPORTS AND RECORDS

G. APPROVED BY



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Chief of Staff