

# Charitable Fund Raising Non-Associated Student Body Private Money

**History-** Legislature passed amendment to RCW 28A.325.030 during 2000 session; OSPI adopted WACs in July of 2001.

## **Five Main Rules:**

### **1. There must be a school board policy**

*Prior to solicitation of funds, school board must adopt policies outlining the scope and nature of fundraising to be allowed. Policy to include provisions to ensure appropriate accountability, including prompt deposit, holding moneys in trust, and disbursement only for the intended purpose.*

### **2. Should be a bonafide charity**

*Funds may be used for scholarship, student exchange, and/or charitable purposes. Does NOT include any activity related to political activities, such as campaigns or initiatives.*

### **3. Prior notice must be given**

*Prior to the fundraising, notice must be given. The purpose of the fundraiser must be clearly identified and must state that the proceeds are nonassociated student body funds, to be held in trust by the district exclusively for intended purposes.*

### **4. Direct services provided by the school district must be paid for**

*The district should withhold from moneys raised an amount adequate to reimburse the district for its DIRECT costs in handling these private moneys and WAC 392-138-205 applies to moneys received, deposited, invested and accounted for under this section. Disbursements must follow WAC 392-138-210.*

### **5. It is NOT public money**

*Nonassociated student body private moneys shall not be deemed public moneys under section 7, Article VIII of the state Constitution.*

## **Frequently Asked Questions**

### **1. What if we performed fundraising for September 11<sup>th</sup> without a policy?**

The State Auditor Office realizes that probably all districts were doing some sort of charitable fundraising for this. We consider this to be a unique event, and those districts that adopted a policy in a timely manner will not have any audit issues.

However, districts that continued throughout the year to fundraise without adopting a policy may be at risk.

**2. What types of charities qualify?**

Moneys may be raised for a student or district employee that has a serious medical condition, or has experienced a tragedy, such as a fire. We encourage school boards to include in their policies guidance on what types of charities are acceptable. Generally, bonafide charities will be registered with the Secretary of State and would be listed on that website. Schools or other local governments are NOT considered to be charities.

**3. What does “you must give prior notice” mean?**

All signs and flyers advertising the event need to clearly outline that the event is a nonassociated student body activity, and must identify what the moneys will be raised for.

**4. What are the risks?**

Risks include: not raising enough money to cover direct costs (i.e. holding a dance); trying to combine a charitable fundraiser with an ASB activity (student store where the profits from the day go to charity, but the inventory is paid for by the ASB).

**5. What does “Direct Services” mean?**

Direct services or costs include: materials; a significant, measurable amount of time spent by school district employees working on the charitable activity (i.e. an ASB secretary counting money); copying fees. Does NOT include: electricity, “flat fees” for overhead, or insignificant amounts of time spent by school district employees (i.e. ASB bookkeeper depositing moneys, or posting revenues in general ledger, or issuing disbursements).

**6. Where should these moneys be deposited?**

The funds can be deposited into either the ASB bank account and accounted for under the 6000 series of accounts; or (preferable method) into the district’s bank account where other trust fund moneys are deposited, and accounted for within the district’s trust funds. If the moneys are placed into the ASB account, then the moneys must be budgeted for, as required for all ASB funds, whereas trust funds are not required to be budgeted. Each district should be consistent with the accounting of charitable fundraising.