

Capac Community Schools

FUND RAISER PACKET

(To be handed out before each Fund Raising Activity)

Revised August 24, 2006

PROCEDURE TO BECOME EFFECTIVE SEPTEMBER 1, 2006
FOR ALL FUND RAISING ACTIVITIES

Capac Community Schools

**CAPAC COMMUNITY SCHOOLS
NEW PROCEDURES FOR FUND RAISERS
EFFECTIVE SEPTEMBER 1, 2006**

This procedure involves all fundraisers initiated by any building, PTG or any group who cares to do fundraising to benefit Capac Community Schools.

These new requirements are in addition to the current procedures included in your handbook on the handling of all Internal Funds.

To have a building fundraiser, two main forms will be required. These are:

1. **Request for Fund RAISER ACTIVITY FORM (Included in packet)**
This form is to be signed by the Building Principal and two copies made.
One copy goes to Athletic Director (if Fundraiser is for Athletic Activity).
One copy is sent to the Central Office attn Business Manager

2. **FUND RAISER PROFIT FORM appropriate to the type of activity.**
Form A-1: For any Catalog Product Sales
Form A-2: For Non-Product Sales Activity (Spaghetti Dinners etc)
Form A-3: Product Shipped before the Sale
Form A-4: Events that tickets are sold for (Ex: Cosmic Bowling. Athletic event)

Please note that there is an **additional form included in this packet** for any product that is given out before the sale. This is an inventory control sheet to keep track of your product. **THIS FORM SHOULD BE USED FOR ALL PRODUCT SALES THAT CAN BE INVENTORIED.**

Forms A-1, A-2, A-3, AD, or A-4 **must be returned** to the building principal and signed by the person responsible for the fundraiser.

The Building Principal is then to sign the form (if in agreement) and return the form to Central Office along with a copy of the original REQUEST FOR FUND RAISER Form. **If there are any problems or discrepancies, these should be noted on the form.**

INTERNAL FUNDS
REQUEST FOR FUND RAISER ACTIVITY

SCHOOL: _____

INTERNAL FUND(S) TO PROFIT: _____

NAME OF CLASS/ACCOUNT _____ DATE _____
SUBMITTED BY: _____ TITLE _____

ADVISOR(IF STUDENT ACCT) : _____
PARENT OR STAFF RESPONSIBLE: _____ PHONE _____
(ONE OF THE TWO LINES ABOVE MUST BE FILLED OUT)

DESCRIPTION OF ACTIVITY (INCLUDE PURPOSE, DATE AND BENEFICIARY) IF FUND RAISER
ATTACH SUPPLEMENTAL SHEET EXPLAINING DETAILS.

DATE(s) OF ACTIVITY: _____

ADVANCEMENT OF FUNDS TO BUY PRODUCT (IF ANY):\$ _____
SOURCE OF FUNDS _____
EXPECTED PROFIT OF FUND RAISER (IF KNOWN): \$ _____

NAMES OF ALL SUPERVISORS OF ACTIVITY (CHAPERONS, CUSTODIANS ETC.)

APPROVED: _____ NOT APPROVED: _____ DATE: _____

PRINCIPAL/DIRECTOR: _____ DATE: _____

ROUTE COPY TO : **ATHLETIC DIRECTOR(if Athletic Activity)**
 BUSINESS MANAGER

Please note:

*Pat Stier will keep track of all fundraisers to try to stop duplicate efforts during the same period of time between buildings.

1. Before any fundraiser involving internal funds, this form must be filled out and distributed to the Building Principal and Business Manager.
2. At the end of the fundraiser, this form is to be returned again with the financial statement of the event.

INTERNAL FUNDS
CAPAC COMMUNITY SCHOOLS
FUND RAISER PROFIT SHEET

FORM A-1

(Use this form for Product
Catalog Sales)

This report is to be returned to the building principal and Business Manager with a copy of the
"Request for Fundraiser" Form

Date(s) of Sale _____
Name of Activity _____
Internal Fund Deposited to _____

Gross Sales: (Money taken in) _____
Less Sales Tax (if applicable)* _____
Net Sales _____
(Add sales, subtract taxes)

	<u>Invoice #</u>
Invoices for Product	_____
Invoice Date/Amount	_____
Invoice Date/Amount	_____
Invoice Date/Amount	_____

Total Cost of Product _____
(Add all invoices paid here)

Net Profit Deposited ** _____
(Net sales subtract TTL cost of product)

*Please see Appendix on Sales Tax for Schools

** This figure should agree to total amount deposited.

Explanation of Variances _____

Prepared by (print name) _____
Signature _____
Date _____
School Representative Signature _____
Date sent to Central Office _____

INTERNAL FUNDS
CAPAC COMMUNITY SCHOOLS
FUND RAISER PROFIT SHEET

FORM A-2

(Use this form for Non-Product
Sales Activities)

This report is to be returned to the building principal and Business Manager with a copy of the
"Request for Fundraiser" Form

Date(s) of Event _____
Name of Activity _____
Internal Fund Deposited to _____

Gross Sales: (Money taken in) _____
Less Sales Tax (if applicable)* _____
Net Sales _____
(Add sales, subtract taxes)

Cost of Event
Labor Expense (if any) _____
Supplies & Materials _____
Miscellaneous _____
Miscellaneous _____
Miscellaneous _____
Miscellaneous _____
Total Cost of Event _____
(Add all expenses here)

Net Profit Deposited ** _____
(Net sales subtract TTL cost of event)

*Please see Appendix on Sales Tax for Schools

** This figure should agree to total amount deposited.

Explanation of Variances _____

Prepared by (print name) _____
Signature _____
Date _____
School Representative Signature _____
Date sent to Central Office _____

INTERNAL FUNDS
MERCHANDISE SALES PROFIT AND LOSS REPORT

FORM A-3

(Use this form for product box sales where the price is the same per item sold and the product is shipped before the sale)

(THIS REPORT IS TO BE RETURNED TO THE BUILDING PRINCIPAL, BUSINESS MANAGER WITH A COPY OF THE REQUEST FORM FOR FUNDRAISER)

CLUB/CLASS: _____ ITEMS SOLD: _____

PERIOD OF SALE: _____

COST PRICE: \$ _____ SELLING PRICE: \$ _____

	QUANTITY	DOLLAR VALUE
Beginning Inventory at Cost	_____	\$ _____
Plus any Purchases at Cost	_____	\$ _____
Less Returns at Cost	_____	\$ _____
Adjustments (at cost) Free Goods, etc.	_____	\$ _____
Less Ending Inventory @ Cost (unsold)	_____	\$ _____
Available for Sale @Cost	* _____	\$ _____
*these two numbers should be the same		
Projected Sales @ Selling Price	* _____	\$ _____
Deposited Sales Total Project	_____	\$ _____
Variance (Over) Short	_____	\$ _____

Explanation of Variances: _____

Explain any vendor bonus programs (cash back for volume sales, free products, etc.)

PREPARED BY _____ DATE: _____

APPROVED BY: _____ DATE: _____

DATE SENT TO CENTRAL OFFICE _____

INTERNAL FUNDS
FUND RAISER PROFIT SHEET

FORM A-4

(Use this form for events that tickets are sold for, i.e., Cosmic Bowling)

This form is to be returned to the building principal and Business Manager with a copy of the "Request Form for Fund Raiser"

Date of Event: _____ ACTIVITY _____

FULL PRICE

Ticket Description _____
Next ticket # available _____
First ticket sold _____
Total tickets sold _____ Ticket Price \$ _____ Ticket Sales Value _____

STUDENT PRICE

Ticket Description _____
Next ticket # available _____
First ticket sold _____
Total tickets sold _____ Ticket Price \$ _____ Ticket Sales Value _____

OTHER

Ticket Description _____
Next ticket # available _____
First ticket sold _____
Total tickets sold _____ Ticket Price \$ _____ Ticket Sales Value _____

OTHER

Ticket Description _____
Next ticket # available _____
First ticket sold _____
Total tickets sold _____ Ticket Price \$ _____ Ticket Sales Value _____

Total Ticket Value _____ *(Sum of all ticket sales value)
Total Cash Deposited _____ (Attach a sheet detailing all deposits
Variance (Over) Short _____ relating to this event)

Explanation of Variances: _____

Seller _____
Cashier _____
Verified by _____

Prepared By (Print Name) _____ Signature _____
School Representative _____
Account to Credit _____
Date Prepared _____
Principal Signature _____
Date Sent to Central Office _____

August 24, 2006

SALES TAX RULES & REGULATIONS
FOR SCHOOL DISTRICTS

PLEASE ADD THIS PAGE TO YOU HANDBOOKS.

MICHIGAN SALES TAX:

School programs are not liable for paying sales tax when purchasing items which are to be used solely for school purposes

BUT:

There is no such thing as a "Sales Tax Exempt Number." Sales to a school for items USED SOLELY FOR SCHOOL PURPOSES ARE EXEMPT FROM SALES TAX UNDER THE Michigan General Sales Tax Section 205.54a.

Per the General Sales Tax Act or the Specific Sales and Use Tax Rules, certain items purchased for RESALE may be subject to sales tax. See the list below:

ITEMS SUBJECT TO SALES TAX:

1. Concession sales at athletic or other special events.
2. Bakery Items, if sold for consumption on district premises
3. Other food for "Immediate Consumption" such as salad bar, deli trays of cheese and crackers, or other food "arranged on a plate."

CAUTION: SCHOOL LUNCH SALES TO STUDENTS ARE NOT SUBJECT TO SALES TAX.

4. Sandwiches, except frozen
5. Cans, bottles, or pop sold in vending machines
6. Popcorn or nuts, except in pre-sealed (e.g. heat sealed or twist tied.) containers
7. Ice Cream cones & novelties
8. School Clothing (shirts, sweaters etc.)
9. Notebooks, paper & other school supply items
10. Class Rings & pins
11. School Yearbooks

ITEMS EXEMPT FROM SALES TAX:

1. Bakery Items (if sold to take home.)
2. Frozen Sandwiches
3. Magazine & Periodical Subscriptions
4. Pre Sealed(e.g. twist tied or heat sealed) bags of popcorn or nuts
5. Vending machine sales of aid, juice, candy, **gum**, chips crackers, cookies The following, presumably for consumption **off district premises:**

Candy	Milk
Pop can & bottles (unopened)	Candy Apples
Cookies	Potato Chips
<i>Chewing gum</i>	

CAPAC COMMUNITY SCHOOLS
OTHER SALES TAX NOTES:

RAFFLE LICENSES:

MUST BE OBTAINED TO HOLD ANY RAFFLE, ESPECIALLY A RAFFLE INVOLVING A TICKET "PRE-SALE"

FUND RAISING ACTIVITIES:

While our non-profit Groups are allowed to perform Fund Raising Activities such as Bingo, Las Vegas Nights, Raffles etc, the purchases of property used in this fund raising IS taxable.

In all instances to be exempt the consideration for the purchase must move directly from the funds of the exempt non-profit organization.

THESE ARE EXCERPTS FROM THE REVENUE ADMINISTRATION BULLETIN 1995-3.

FOR FURTHER INFORMATION PLEASE CONTACT:

MICHIGAN DEPARTMENT OF THE TREASURY
TREASURY BLDG
LANSING, MI 48922
PHONE 517 373-3190



Capac Strong.
Learn. Dream. Grow.

CENTRAL OFFICE 403 N. Glassford St. • Capac, MI 48014
(810) 395-3710 • Fax (810) 395-4858 • www.capacschools.us

Stephen C. Bigelow, Ph.D.
Superintendent

Date: _____

Deborah Lewis
Business Manager

To: _____

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This letter is to clear any questions as to the tax-exempt status of a donation to the CAPAC COMMUNITY SCHOOLS.

As an instrument of a governmental unit, the CAPAC COMMUNITY SCHOOLS DISTRICT is not subject to Federal Income Tax under the provisions of Section 115(i) of the Internal Revenue Code of 1954, which state in part:

“Gross Income does not include income derived from the exercise of any essential governmental function and accruing to a State or any political subdivision thereof...”

Because the CAPAC COMMUNITY SCHOOLS DISTRICT is an instrumentality of a governmental unit, contributions are deductible under Section 170(c) of the Internal Revenue Code which states:

“For purposes of this section, the term “charitable contribution” means a contribution or gift for the use of:

A state, a possession of the United State or any political subdivision of any of the foregoing, or the United State or the District of Columbia, but only if the contribution is made for exclusively public purposed.”

If you have any questions regarding the above, please feel free to contact me at (810) 395-3710. If needed our Federal ID is 38-6003585.

Deborah A. Lewis
Business Manager

PTG & STUDENT ACTIVITY ACCOUNTING

OBJECTIVES FOR INTERNAL FUNDS BEING HELD WITH BUSINESS OFFICE.

- To improve the trail of accountability of receipts and disbursements for the collected Funds.
- To establish a uniform method of accounting for student activities for all schools.
- To improve communication between the schools and the Central Business Office regarding internal fund transactions.
- To provide a basis for efficient review of the internal funds.
- To maximize investment opportunities with internal funds.
- To insure the income tax deductibility of monies contributed to the School District by individuals.

KEY CONTROLS:

- Prenumbered receipts for deposits.
- Daily intact deposits of cash
- Use of approved check request forms for withdrawal.
- Monthly verification of balances
- Monthly bank reconciliations.
- Review of deposits, disbursements, and monthly reports
- Immediate verification of deposits

INTERNAL AUDIT

Keep records, maintain systems and practices to provide reasonable assurance that:

Assets are safeguarded and controlled
Transactions are in accordance with specified authorities
Resources are managed economically and efficiently

ANNUAL AUDIT

To provide independent opinion on:

Fairness-financial statement presentations
Accuracy of quantitative information
Compliance with specified authorities
To call attention to any other matter as needed.

**Accounting & Cash Controls Guidelines
for
Student Activities Funds**

Requirements

- The student activity account should not be used for any activities that do not relate to the conduct of student programs.
- Cash from fundraisers should be counted by two persons (adults), immediately after an event whenever possible.
- Deposit slips should identify each check separately.
- Funds from different fundraisers should not be commingled on one deposit slip. Use a separate deposit slip for each fundraiser or source of revenue.
- No payments should be authorized without sufficient documentation (e.g., receipts). Receipts, contracts for goods or services, etc must be maintained and available for audit.

Recommendations

- Deposits should be made daily when receipts exceed \$500. Collections of amounts under \$500 should be deposited at least weekly.
- The entity responsible for recordkeeping (school, teacher, booster organization, etc.) should maintain a set of records (i.e., chart of accounts) that clearly report all accounting activity for each separate fundraising activity. Revenues from "x" program should be matched against expenditures for "x" program.
- The entity responsible for recordkeeping should issue financial reports at least quarterly. At a minimum, these reports should identify fundraisers conducted, revenues received from each fundraiser, expenditures made relating to each fundraiser, and how profits were used or plan to be used.
- An annual budget should be developed. The budget should be used as a tool to establish goals. The budget should be developed through a joint effort of teachers, students, and parents.
- The building principal or responsible budget committee should approve payments before any payments are authorized or contracts for services are awarded.

CAPAC COMMUNITY SCHOOLS BOOSTER GROUP GUIDELINES

BOOSTER GROUPS: GENERAL DEFINITION

Booster Groups formed to promote and assist in the financing of a given activity for the improvement of student education shall be recognized by the Capac Board of Education.

INTERNAL BOOSTER GROUPS

This type of booster club will be autonomous in its decision-making, but will keep all of its funds on deposit with the district. The district will maintain a set of books for this type of booster group, which will always be open for booster member review. Disbursement of funds will be at the sole discretion of the booster club. However, they must follow the internal accounting controls established for all district funds. An internal booster group may use the Capac Community School Tax Id. Number for its fundraising activities.

AUTONOMOUS BOOSTER GROUPS:

This type of booster group has chosen to keep its own financial records and hold its own funds in bank accounts which are separate from those of Capac Community Schools. These Groups **MUST BE LEGALLY ESTABLISHED AS A NON-PROFIT ORGANIZATION** through the State of Michigan. They must have their own Tax-ID Number separate from the Capac Community Schools. They also will be responsible for filing all appropriate tax and financial reporting to the appropriate agencies. They also will need to arrange for an annual audit of their financial books.

SPECIFIC RULES FOR INTERNAL BOOSTER GROUPS:

1. Checks will be processed through the district's accounting system.
2. Internal booster groups may legally use the district's Tax-ID Number in transacting all business.
3. The Booster group will have unrestricted access to all its account records. One day's advance notice to review any records would be appreciated, but is not required.
4. Sales Tax, as appropriate must be turned over to the district for filing with the state.

Please note that if the booster group carries its own Tax-ID Number, it will be responsible to do its own state and federal tax reporting. (Please see tips for establishing a Booster Group.)

SPECIFIC RULES FOR AUTONOMOUS BOOSTER GROUP'S:

1. Autonomous Booster Groups must file the appropriate Articles of Incorporation with the State of Michigan Department of Commerce and Industry Services Corporation, Securities and Land Development Bureau. A copy of this filing should be on file with the district.
2. The Michigan Annual Report for Nonprofit Corporations returns must be filed annually with a copy to the district.
3. Sales tax must be collected where appropriate, and turned over to the state in accordance with Sales Tax Regulations. Annual Tax Returns must be filed with the State of Michigan.
4. Federal tax and 1099 reporting must be filed in accordance with IRS Regulations.
5. Under no circumstances shall an autonomous booster group use the district's tax-id number for any purpose whatsoever. including fund raising and bank account purposes.

**CAPAC COMMUNITY SCHOOLS
TIPS FOR ESTABLISHING AN AUTONOMOUS BOOSTER GROUP**

GETTING STARTED:

The first step is filing an ARTICLES OF INCORPORATION with the State of Michigan as a nonprofit organization. The filing of this form should take no more than 15 minutes. The purpose of this form is to officially and legally establish a non-profit group under the laws of the State of Michigan.

Most Booster Groups undertake some sort of fund raising during the course of the year. If the group plans on selling items as a fund raising activity, it is required by the State of Michigan to obtain a SALES TAX LICENSE. An application for a sales tax license can be obtained by calling the state at 517 373-3190. You may also register over the phone by calling 517 373-0884. The state will also send the appropriate forms to use for filing Sales Tax Returns.

If you are an Internal Booster Group with your funds kept with the District Funds, you only need to send in your sales tax info to the district with an approved check request to pay the sales tax. We will file the sales tax for you. However, if you are using your own TAX-ID Number, you will have to file your own sales tax report.

YEARLY REQUIREMENTS:

Once the booster group has been legally established, future filings are quite simple. The state will send each non-profit an ANNUAL REPORT which is due back to the state each October 1st. The purpose of the annual report is to simply update the company's original Articles of Incorporation for changes that have been made since the last filing. The most common changes will be the names of the Booster Group officers. If no changes have been made from one year to another, check the box in the upper left corner and return the form. Even if there are changes, this form should take no more than 5 minutes.

Additional yearly reporting requirements include sales tax reporting as well as employment taxes if hiring any employees, and federal 1099's if the club contracts with an individual for services rendered and pays that individual \$600.00 or more. (These forms can be obtained by calling, the IRS at 1-800-TAXFORM.) IF THE GROUP PLANS ON PURSUING ANY OF THESE OPTIONS, ADEQUATE ACCOUNTING RECORDS MUST BE MAINTAINED TO PROPERLY FILE THESE FORMS WITH THE GOVERNMENT.