

Topic:

Fundraisers

Reference or Contact: [**Accounts Payable**](#)

Fundraising is an organized activity to raise funds for a campus or organization. Staff members interested in participating in fundraising activities shall initiate the request for approval via a completed [Fund Raising Request form](#) to the Principal or designee for review and approval. Under no circumstances shall a Lubbock Independent School District (LISD) campus or organization enter into agreements or advertise a fundraising event until the required approvals are obtained. The Associate Superintendent must approve the fundraiser, in advance, if the expected sales are to exceed \$500. Consideration must be given to:

- other fundraising activities on or about the same time
- minimizing any disruption to the educational program
- the purpose for which the proceeds will be used
- the total number of fundraisers on any one campus during the course of a school year
- the nature of the fundraiser and the demands it may make on students, parents and staff
- will the fundraiser produce a 40% or more profit margin

Under no circumstances shall a LISD campus or school organization participate in door-to-door solicitation, conduct raffles, bingo and/or any other games of chance.

The Texas Department of Agriculture quite often comes into play with the location of fundraisers when certain “competitive” products are being sold. Please check with the [Purchasing Department](#) when food and/or drinks are being sold as part of a fundraiser.

Taxable Sales

If the school assumes responsibility for the activity and/or sales, and not acting as an agent of the fundraiser, the school is responsible for insuring the tax is paid. Tax may be added to the selling price or included in the selling price. The school may purchase items tax free and must collect the tax when the items are sold. Public schools and school-related organizations must collect the sales tax on the following:

- School-purchased supplies sold directly to students including athletic equipment and physical education uniforms
- Fees for materials when the end product becomes a possession of the student
- Student publications such as yearbooks and football programs
- School rings
- Books sold to student at book fairs

LISD, its campuses and each bona fide chapter within a qualifying school may conduct two (2) one-day tax free sales or auctions each calendar year. For the purposes of this exemption, one day is counted as 24 consecutive hours and a calendar year is the 12-month period from January through December. For example, a school may sell taxable items such as t-shirts, hats, uniforms,

school supplies or crafts tax-free on a designated tax-free sale day. These days shall be designated in advance so purchasers are aware the sales are not subject to tax. The organization may not collect tax on the transactions and keep the tax under the “tax-free” sale provision. Either the date on which the items are delivered by the vendor to the school organization or the day on which the school organization delivers the items to its customers may be designated as a one-day tax-free sale day. Occurrence records of all tax-free sales shall be maintained at the campus level and will be subject to audit.

Responsibility and oversight

The sponsor/person requesting permission to manage a fundraiser is required to:

- ensure adequate financial records, which may include a District [Tabulation Form](#)
- exercise strict control over all products and money
- abide by the Cash Management procedures

No club, organization or campus is to create and/or maintain a petty cash/slush fund from monies raised and/or collected through any activity. All monies raised and/or collected shall follow the Cash Management procedures.

MONEY MUST BE TURNED IN TO THE OFFICE DAILY AND IT CANNOT BE KEPT TO PAY EXPENSES OR MAKE CHANGE.

Please contact the [Accounts Payable](#) department with any additional questions or concerns prior to managing a fundraiser.