



Fundraising and Resale Activities Procedures

2.601.1p

LAST REVIEWED: May 20, 2025

Standard Operating Procedure Outline

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| <i>Category:</i> | Fiscal Management | <i>Department:</i> | School Audit |
| <i>Procedure:</i> | Fundraising and Resale Activities Procedures | | |
| <i>Policy Reference # :</i> | 2.601 | <i>Version:</i> | |
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Operational Objective(s)

Ensure that all MNPS schools, staff, and any organizations aligned with the MNPS are conducting fundraisers in accordance with state law and MNPS policies.

When conducting resale and fundraising activities, school officials and employees should be aware of state laws regarding illegal conflicts of interest, kickbacks, and other such unlawful activities.

Definition

Fundraising is any activity conducted by the school which is intended or designed to generate a profit for the general fund or a restricted account of student activity and internal school funds. There are two types of fundraising activities: (1) school-sponsored; and (2) those conducted by school support organizations. School-sponsored fundraising activities shall be for the purpose of supplementing money for school programs and not for replacing funds which are the responsibility of the local board of education.

Resale activities encompass any activities involving the disbursement of money by the school for goods for resale.

Procedure for Required Authorization

The following general guidelines shall be followed:

1. Employees shall not engage in non-school sponsored fundraising activities in their official capacity as district employees nor make any reference to non-school sponsored fundraisers, online or otherwise, that would lead another to believe such activity is an approved school fundraiser.
2. Vendors used for school fundraising and resale efforts must be approved by MNPS. Fundraising vendors that require a signed agreement or commitment must be submitted by the school bookkeeper to the MNPS Audit department for review and approval by MNPS Procurement. Once approved, an email will be sent to the school bookkeeper verifying the school can move forward using the vendor.
3. All fundraising and resale activities—including online fundraising (e.g., crowdfunding) and School Support Organization (SSO) fundraisers—must be submitted as an electronic request, regardless of whether they are intended to generate a profit. Faculty accounts housed within student activity and internal school funds must comply with the Internal School Funds Manual. Therefore, any fundraising activities conducted must follow MNPS fundraising procedures. The [fundraising training resources](#) and fundraiser request form can be found on the [MNPS Fundraising SharePoint](#).
4. The principal or their designee must submit a digital fundraiser authorization request through the approved MNPS school fundraiser platform. Similarly, SSOs are required to submit their requests through the designated MNPS SSO fundraiser platform.
5. All fundraiser requests must be submitted electronically and received by the MNPS Audit Department at least 30 calendar days prior to the proposed start date. This timeline ensures sufficient time to address any questions, concerns, or required revisions.

Important Note: We highly suggest submitting fundraiser requests early. Submitting in advance allows Principals adequate time to review and approve the request in order to meet the district's 30-day requirement and approval before the fundraiser begins. Principal Approval is required before a fundraiser request is submitted to MNPS Audit. The 30 days does not include the Facility Use process for schools and SSOs as this is a separate approval through the MNPS Facility Use Dept. The Facility Use approval process must be completed prior to submitting the fundraiser request to MNPS Audit for approval, if applicable, or a denial will be received for the fundraiser request.)

To facilitate timely review and approval, fundraisers should be planned and submitted at the beginning of the school year. This requirement applies to all fundraising activities involving:

- a. The general student population
- b. Individual club or class accounts
- c. School Support Organizations (SSOs)

All requests must be approved by the Director of Schools or their designee before any fundraising information is shared with the public, or the activity is conducted.

6. The director of schools or his/her designee shall determine whether or not the activity appropriately aligns with the Internal School Funds Manual as a school-sponsored or school support organization sponsored fundraiser.
7. The fundraiser authorization request shall contain the following information:
 - a. The proposed fundraising activities;
 - b. Type of fundraising activity (e.g., in-person, crowdfunding, etc.);
 - c. Purpose of the fundraising activity;
 - d. Proposed uses of funds raised;

- e. Expected student involvement in fundraising activity (school-wide or individual class or club);
 - f. Anticipated beginning and ending dates; and
 - g. Margin of profit and how it is to be paid to the school.
8. Fundraising activities must begin and end within the same academic year; they may not span across multiple school years. A new fundraiser request must be submitted for approval each school year.
 9. For all school-sponsored fundraisers, the school bookkeeper is responsible for assigning a fundraiser event code to each fundraising activity. This code must be entered at the beginning of the fundraiser in the approved student activity and internal school funds accounting system. The purpose of this requirement is to ensure accurate profit and loss tracking for each event.
 10. A copy of each approved fundraising request must be on file in the school's financial records and with the Director's designee for each academic year.
 11. All funds collected from fundraising and resale activities—including online fundraisers (e.g., crowdfunding) and donation solicitations—must be deposited directly into the school's official bank account. Under no circumstances shall personal bank accounts be used for collecting, holding, or managing school-related funds. Additionally, the use of electronic payment apps such as Cash App, Venmo, PayPal, or any similar platforms is strictly prohibited for school fundraising or financial transactions.

Crowdfunding Fundraisers: Additional Required Procedures

1. Required Authorization Procedures above must be followed.
2. Only district-approved crowdfunding vendors may be used by schools. If you are unsure which vendor has been awarded for the current school year, please contact the MNPS Procurement or Audit teams for guidance. (Refer to MNPS 2.900.2p Student Activity Fund Management Policy for additional guidance on evaluation of crowdfunding vendors.)
3. School-sponsored crowdfunding sites must include the "MNPS School's Name – Teacher Name/Grade Level/Team and the name of the approved proposed fundraiser".
4. The control funding account for the school-sponsored crowdfunding site should be set up under the MNPS EIN# and the school's official bank account.
5. The principal or his/her designee of each school shall have access to the established fundraising account as an admin user to ensure all funds are properly accounted for, and the information is recorded in the school's accounting records by the bookkeeper.

6. At the conclusion of the fundraiser, the teacher sponsor and/or the administrator of the school-sponsored crowdfunding site, should generate a detailed fundraiser event report directly from the crowdfunding site. This report should provide supporting details for all transactions. All reports generated by the school must be filed in the school's financial records. The selected vendor must be able to provide access to the reports or have them available for district administration review upon request.

School-sponsored crowdfunding (online) sites shall not be used for the purpose of benefiting individual students or families, or on behalf of and for the benefit of an outside party.

Procedures for Concluding Fundraising and Resale Activity Records

1. A written agreement should be obtained when the school-sponsored fundraiser involves an outside vendor (such as school pictures, yearbooks, etc.). The agreement should set forth the division of profits that result from the activity, payment of sales tax, delivery date(s), package prices or other charges, scheduled date(s) of service, etc.
2. Accurate and systematic records of all cash collected should be maintained. Once collections are complete, the school bookkeeper should ensure that a proper division of profits is made in accordance with the written agreement and that the outside vendor's portion is remitted. If an outside vendor makes the collections, the school must independently verify total sales and total collections to ensure proper division of profits.
3. For resale activities, collection reports must be completed to document collections, expenses, inventory and any profit or losses of money or product. These reports must be filed with the other school's financial records. The school must maintain detailed records to support all amounts recorded on these forms. If the collection report indicates a shortage, an explanation must be given for the shortage in writing. If no reasonable explanation can be given, each subsequent day's activities must be recorded and evaluated until the reason for the shortage has been identified and corrected. The principal should be informed if no reasonable explanation is identified in a practical time period.
4. At the conclusion of the fundraiser a profit analysis report must be prepared to show whether the fundraiser made a profit or loss, if applicable. In addition, an Event Code Profit/Loss Detail report is also required for fundraisers with designated purposes. These reports must be kept on file at school with the appropriate school financial documents & secured by the school bookkeeper.
5. To document that profits from school-sponsored fundraising activities were expended for the purposes for which they were raised, either the teacher sponsor or school bookkeeper should prepare a fundraiser summary report. This report would include a summary of the expenditures showing how the profit was used per the approved fundraiser approval. This form should be filed in the school's financial records.
6. Any products, supplies, or materials received from any fundraising activities including online fundraising (crowdfunding) or donated items become assets of MNPS. They must be properly tagged and inventoried when applicable. (Reference MNPS Fixed Assets policy 2.4021 on safekeeping and transferring of fixed assets)

Addressing Discrepancies, Fundraising Compliance and Corrective Action Procedures

These procedures are designed to promote accountability, ensure adherence to district fundraising policies, and uphold the integrity and transparency of all school fundraising activities.

In the event of recurring discrepancies related to a specific fundraising activity or sponsor, the following procedures will be followed:

First Occurrence

A meeting will be held with the school administrator. Additionally, all school staff involved in the fundraiser will be required to participate in a retraining session conducted by a representative from the MNPS Audit team to review proper fundraising procedures.

Second Occurrence

Approval for the specific fundraiser and the staff members involved will be suspended until a follow-up meeting with the school administrator has been conducted. The meeting is required and will determine:

- a. Whether the fundraiser may continue at the school, and
- b. Whether the staff member will be permitted to participate in or lead any future fundraising activities.

Reporting of Fraud, Waste, and Abuse

All employees are expected to uphold the highest standards of integrity and stewardship in managing school funds. Per Tennessee Code Annotated Section 8-4-501, Local Government Instances of Fraud Reporting Act, “requires public officials to report suspected unlawful taking of public money, property, or services to the Comptroller of the Treasury within 5 business days” of the occurrence.

Please be advised that any activity that appears to involve fraud, waste, or abuse of school funds must be reported to the Tennessee Comptroller of the Treasury’s Office for further review, in accordance with state law and district policy.

Performance Measure/Accountability

Continuous evaluation of procedure to ensure efficiency and compliance with all regulations