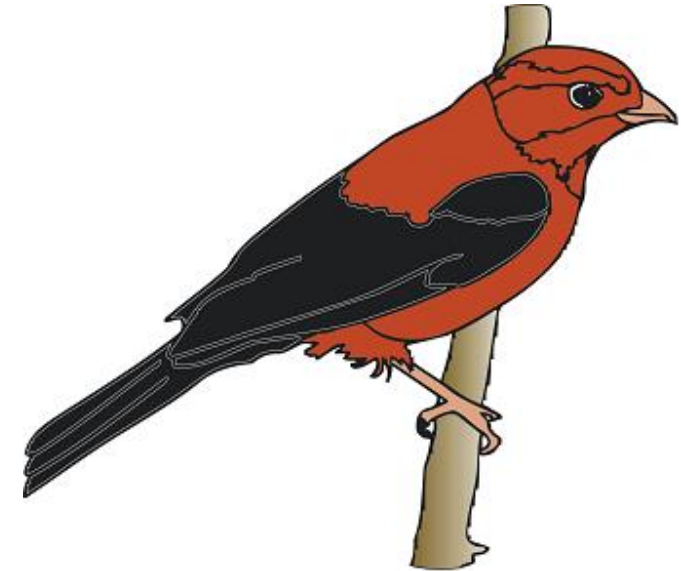


# Extraclassroom Activity Funds Refresher

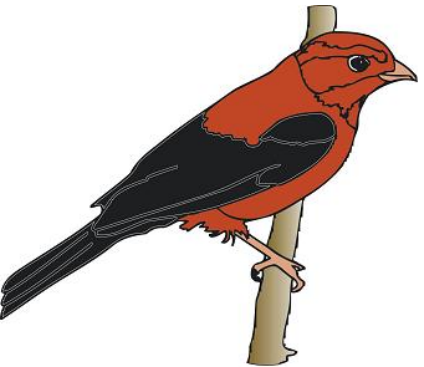
## STUDENT ACTIVITY ACCOUNTS

regulations, procedures and expectations



# AGENDA

- Roles & Responsibilities
- Fundraisers & Sales Tax
- Useful Documents



# DUTIES OF A FACILITY ADVISOR

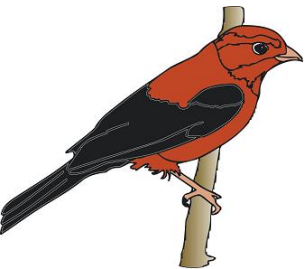
PRIMARY GOAL - TEACH FUNDAMENTAL BUSINESS PRACTICES !!!

- Assist students in learning good business procedures through participation in handling funds and operating a successful business.
- Faculty Advisors should ensure proceeds from fundraising projects are promptly deposited by the student treasurer and all bills are paid.
- Maintain receipts from deposits made and review the financial activity with student treasurer often, to ensure no discrepancies exist.
- Inform District Office of differences ASAP to confirm accurate balance.
- Provide a copy of the reconciled ledger at year end to the Business Office.



# COLLECTION OF FUNDS

- All extraclassroom activity funds shall be handled and accounted for in accordance with:
  - the NYS publication “Regulations for the Safeguarding, Accounting and Auditing of Extraclassroom Activity Funds”,
  - Board of Education policies,
  - and in compliance with generally accepted accounting principles.
- Under no circumstance should money collected be left unattended.
- An accurate accounting of the money collected is required and should be verified by the student treasurer and Facility Advisor. The amount will also be verified by the Business Office.
- Make deposits regularly.



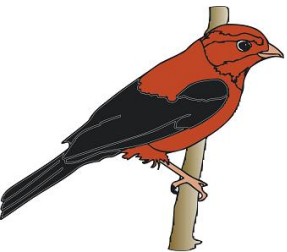
Did You Know?

Lotteries & 50/50's are considered a game of chance and are therefore prohibited.



# SALES TAX

- Many fundraising activities are subject to NYS Sales Tax.
  - required to pay tax when items are bought and then collect and pay sales tax when they are sold
- Faculty Advisors must determine whether a fundraiser is subject to sales tax and should consult with the Business Office prior to conducting a fundraiser.
- Taxable activities include (but are not limited to) dances, candy sales, flower sales, yearbook sales, and dinners.
- The Business Office will make the appropriate sales tax deduction when the activity deposit is made and inform the Faculty Advisor by a notation on the receipt.
- The student treasurer should make the appropriate entry in the ledger for the deduction of sales tax.





# Student Extraclassroom Activity Fund Informal Tax Chart Q & A

10-11-2019

## General:

1. Student organizations and their activities, both buying and selling, are New York state taxable.
2. If you have to pay sales tax on an item or event in the outside world, you have to pay sales tax as a student organization.
3. The school district is the tax free entity. The student organization is the taxable entity. It is illegal, a violation of NYS tax law, to use the school district's tax free status (the districts NYS tax exemption number) to avoid the payment (or collection) of sales tax.
4. You can read more on student organization taxable status on the SDIAA Message Board. You can post tax questions on the SDIAA Message Board. Website: [www.Superintendentofschools.com](http://www.Superintendentofschools.com) .top of right column on the home page "Message Board," registration necessary.

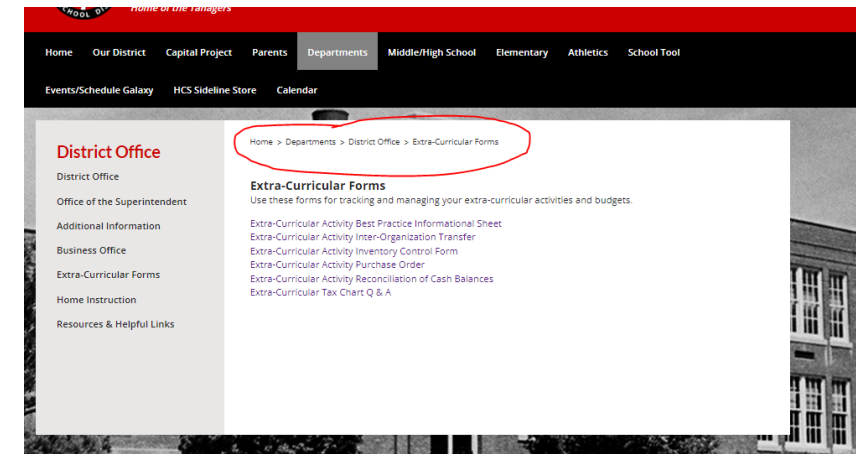
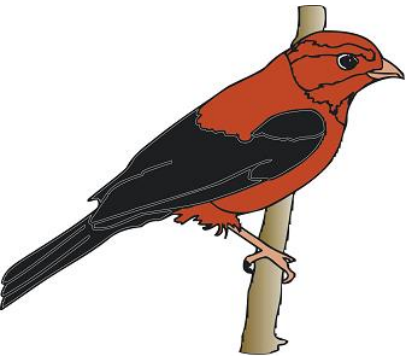
TAXABLE ITEMS	NOT-TAXABLE ITEMS
Vending machine sales Items selling for more than \$1.50 and not on the exempt food list.	Vending machine sales Items selling for less than \$1.50 and on the exempt food list.
Candy, soda, soft drinks, fruit juice less than 70% fruit juice	
Prepared food, eaten at the point of sale or "take-out" is taxable (like at a restaurant or supermarket deli) <ul style="list-style-type: none"> <li>- Spaghetti dinners</li> <li>- Pancake breakfasts</li> <li>- Make a sub</li> <li>- Ice cream social</li> <li>- Prepared pizza</li> <li>- Hot coffee, tea, or chocolate</li> <li>- Chicken BBQ</li> <li>- Smoothies</li> <li>- Carmel/Candy coated snack foods</li> </ul>	Food in bulk (canned, packaged, frozen) or food not prepared is not taxable (like at a supermarket). <ul style="list-style-type: none"> <li>- Frozen pizza</li> <li>- Bulk popcorn [un-popped]</li> <li>- Uncooked meat (chicken, etc.)</li> <li>- Canned, bottled [bulk], packaged food</li> <li>- Whole pie from bakery</li> </ul> Hot coffee, tea, or chocolate from vending machine
Bake/Cookie - concession food  NOTE 1: Some districts prohibit all student bake sales, or only permit food from certified kitchen prepared bake sales - only after school  See more NOTES 	Bake Sales NOTE 2: In NYS bake sales are not be permitted during the school day, under the NYS "Smart Snacks" Law and Federal "Healthy, Hunger-Free Kids Act of 2010". NOTE 3: Some districts prohibit home baked items, only items from health inspected kitchens. NOTE 4: District insurance prohibits (high risk)
Concession stands sales	
	More on back 

TAXABLE ITEMS	NOT-TAXABLE ITEMS
Admissions to prom, dances [band or DJ], movie nights, dinner cruises, variety shows, magic shows, etc. Sales from Photo Booth where separate charge is made	Admission to dramatic (play), musical arts performance, or choreographed performance to music (including color guard admissions and live circus performances) See: NYS Tax Bulletin TS-8
Drama club party Sports banquets, Class banquets [Ex: Senior Class]	Zoo
Sports camps run by extraclassroom activity or booster organization [if NOT 501.c.3] Exhibition Powder Puff football game	Sports camps run by the school district or booster organization [if 501.c.3] NOTE: Sports camps run by coaches on school property are personal businesses and are illegal.
	Entertainment Books, Coupon Books, Gold Cards, advertising in programs
Plants, trees shrubs Flower sales	
Bookstore sales [both extraclassroom or district run]	Newspapers, magazines
	Haircuts or hair styling
Yearbooks	Yearbook advertising
Specialty catalog sales - AVON, candles, candy, wrapping paper, etc.	
Sale of "gift baskets"	
Babysitting (child watching) service for parents	
Class rings [all jewelry] Graduation announcements Caps & gowns [that students keep]	Cap & gown rentals
	Gift cards
Admission (spectator) to a Walk-a-Thon, Run-a-Thon, Swim-a-Thon as a student organization fund raiser.	Walk-a-Thon, Run-a-Thon, Swim-a-Thon participation, or 501.c.3 run (organized and funds handled by a recognized, registered charitable organization)*
Student crafts or prepared food sold at a Crafts Fair or Arts Festival.	Rental of space and tables to vendors at a Crafts Fair or Arts Festival.
DONATIONS FROM A STUDENT EXTRACLASROOM ACTIVITY ORGANIZATION In the wake of a tragedy it is not uncommon for a student organization to want to make a donation to help an individual or family. The donation from the student extraclassroom activity fund is being made with sales taxed money. The student organization may want to support a separate fund raiser being held by a tax exempt organization (foundation, food kitchen, church, etc.) to avoid the taxes.	
RAFFLES NYS Racing and Gaming Law: <a href="http://www.racing.state.ny.us/charitable/Raffle_Information.htm">www.racing.state.ny.us/charitable/Raffle_Information.htm</a> "Only persons eighteen years of age or older shall purchase raffle tickets, sell raffle tickets, or conduct or assist in the conduct of a raffle drawing." Districts prohibit both student and adult raffles on district property.	

\* We recommend that the recognized, registered 501.c.3 charitable organization (American Cancer Society, Make-a-Wish, March of Dimes, etc.) register the participants, and collect and handle the funds.

# FORMS & HELPFUL INFORMATION

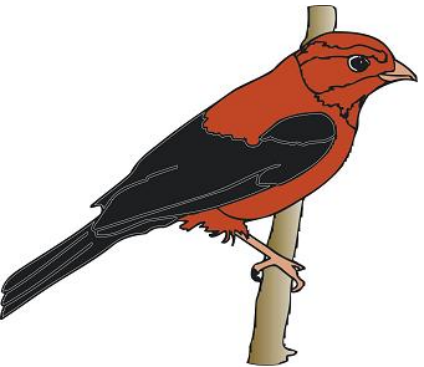
- All documents will now be stored on the website under Departments/District Office/Extra-Curricular Forms
  - Deposit Form
  - Payments Form
  - Inter-Organization Transfer
  - Purchase Order (if requested by vendor)
  - Reconciliation template
  - Regulations for the Safeguarding, Accounting and Auditing of Extraclassroom Activity Funds
  - Tax Chart





# CONCLUSION

- Ensure that student treasurers maintain proper supporting documentation for all club receipts and disbursements.
- Make deposits in a timely manner.
- Maintain up to date ledger and verify balances periodically with the Business Office.
- Provide Business Office with copy of reconciled ledger at end of year.





# QUESTIONS?

