

## **Business/Non-Instructional Operations**

### **School Fundraisers**

#### **General Guidelines**

Fundraising activities in and for the schools must be distinguished from the sale of goods & services for the purpose of maintaining a school based enterprise.

#### **Sale of merchandise**

Sales to raise money by Student, Youth or School organizations formed to support and sponsor youth activities may be made on an on-going basis without collecting sales tax if the merchandise is sold for \$20.00 or less. If merchandise is purchased for re-sale for the above purpose by an accredited elementary or secondary school organization within the New Milford Public School District, the organization may furnish the supplier with the District's State of Connecticut - Department of Revenue Services/Governmental Agency Exemption Certificate signed by the Director of Fiscal Services and Operations. The Purchases of Meals or Lodging for fundraising purposes are treated separately and in general sales tax must be paid to the vendor for such purposes.

Sales by District - Student, Youth & School organizations over this \$20.00 limit will be prohibited (subject to exemptions in the following section), as this would require the District to register as a vendor with the Department of Revenue Services and collect Sales and Use Tax on Sales.

Exemption for (5) five one day fundraising or social events during the calendar year:

Sales of tangible personal property at bazaars, fairs, picnics, tag sales or similar events to the extent of (5) five such events of a day's duration held during any calendar year are exempt from Sales and Use Tax.

Sales qualifying for this exemption do not include sales at retail establishments operated by District organizations such as thrift stores or gift shops.

Fundraising events of this nature will be limited to (5) events during the calendar year for the entire District.

The treatment for School Based Enterprises (SBE) does not fall within the fundraising category with respect to sales and use tax exemptions. Because sales of tangible personal property, manufactured or fabricated goods and services are for profit, and will generally exceed the \$20.00 fundraising limit on an on-going basis for these group(s) within the District, it will be required that the District register with the Department of Revenue Services of the collection & subsequent remittance of Sales and Use Tax. Furthermore, the purchases of materials or services

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for re-sale by these entities cannot be made as tax exempt purchases under the District's Governmental Exemption Certificate. (Please refer to the Procedure for the Establishment and Maintenance of School Based Enterprises and/or contact the Business Office for assistance).

#### **Procedures:**

In accordance with New Milford Board of Education Policy #'s 1324 and 3281 the following procedural requirements must be fulfilled before fundraising is permitted in the schools or a gift from a fundraising organization is accepted:

1. All organizations or groups conducting fundraising activities for the benefit of New Milford students must obtain prior approval in writing from the Building Principal of the school that is intended to benefit from the fundraising activity. Requests for fundraising activities shall be directed to the Building Principal on the appropriate form (Fundraising Activity Request Form for approval at the building level.
2. The Building Principal shall maintain a copy of all request forms and forward a copy to the superintendent or his or her designee for final approval.
3. A copy of the authorized Fundraising Activity Request Form will then be returned to the Building Principal with a copy sent to the Business Office to remain on file.
4. Any and all fundraising events requiring the use of one of the District's (5) day exemptions pursuant to the aforementioned guidelines, will be clearly marked as such and will be considered upon review by the Superintendent of Schools and the Board of Education based on the overall benefit of the fundraising event and its relevancy to the goals and objectives of the District.
5. After completion of the fundraising event the Business Office will send the Fundraising Activity Reporting Form to the Supervisor/contact person listed on the approval form. This form must be completed by the indicated Supervisor and returned to the Business Office within one week of receipt. A copy of the form shall then be sent to the Building Principal and maintained on file at the Business Office along with the original Fundraising Activity Request Form.

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**General Guidelines (cont'd.)**

Any questions regarding procedures and policies relating to Fundraising or Enterprise activities within the District should be directed to the Director of Fiscal Services and Operations.

Legal Reference: Conn. Gen. Stat. §12-412(26) Exemptions

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NEW MILFORD PUBLIC SCHOOLS  
New Milford, Connecticut