

Vanguard Academy
Policy Handbook

8.3 FUNDRAISING, DONATIONS, GIFTS, AND SPONSORSHIPS

Board Approved 12/2022

Vanguard benefits and relies on various forms of fundraising, donations, gifts and sponsorships. All fundraising activities engaged in, and gifts, donations, or sponsorships received by Vanguard and its auxiliary organizations will remain in harmony with the standards and values of the school, as well as in compliance with state and federal law. This policy is intended to create practices that adequately safeguard public funds, provide for accountability, and ensure compliance with state and federal laws.

8.3.1 Legal Reference:

Utah Admin. Code R277-107

Utah Admin. Code R277-407

Utah Admin. Code R277-515

Utah Admin. Code R277-113-5

Utah Admin. Code R277-719-5

Utah Admin. Code 53G-7

Utah Code 63-56-72

Utah Code 63G-6a

Code 63G-6a-2304.5

IRS Publication 526 “Charitable Contributions” Utah

8.3.2 Purpose:

Vanguard encourages community and business partnerships that enhance and supplement the public education system. Vanguard also desires to protect students, parents, teachers, and school administrators from over-commercialization and fundraising efforts that are coercive and disruptive to the education processes, threatening to the health and welfare of students, or lacking in educational merit. Vanguard is committed to work effectively with donors and sponsors to provide donation receipts, as required by law, and to facilitate the donors’ charitable intent to the extent that the intent of any donation or gift is in harmony with Vanguard goals and the law, and is appropriately approved. Vanguard reserves the right to decline, restrict, or redirect donations, gifts, and sponsorships.

8.3.3 Scope:

This policy applies to all Vanguard administrators, licensed educators, staff members, students, organizations, volunteers and individuals who initiate, authorize, or participate in fundraising events or activities for school sponsored events; and who receive, authorize, accept, value, or record donations, gifts or sponsorships on behalf of Vanguard.

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It is expected that in all dealings, Vanguard administration, staff, and school employees will act ethically and consistent with Vanguard's policies, the Utah Educator Standards, the Public Officers' and Employees' Ethics Act, and State procurement law.

8.3.4 Definitions:

Active Fundraiser: a fundraiser that involves active promotion by the school and active involvement of students.

Group Fundraising: a fundraiser where all team or organization members participate and all funds raised are used for the mutual benefit of the team or organization members.

Individual Fundraising: a fundraiser wherein participation is optional for individual students and funds raised by individual students are used to pay that individual student's costs. Funds raised will remain with the student after completion of fundraiser activities.

Passive Fundraiser: a fundraiser initiated by outside entities that involve minimal supervision or participation (i.e., collecting box tops or proofs of purchases, book fairs, recycling, student pictures, and business patronage partnerships.)

Private Fundraiser: a fundraiser initiated by an outside entity for the outside entity's purposes with no intent to donate to or benefit the school.

School Wide Fundraising: a fundraising event or activity in which all students attending a school may participate.

Fee: a charge, expense, deposit, rental or payment

8.3.5 Procedures:

8.3.5-1 Approval

In an effort to minimize ongoing fundraising efforts within the school, all fundraisers must be approved by the Vanguard Administration.

8.3.5-2 Administration of Fundraising Activities

1. All funds raised in school-sponsored fundraising activities are public funds and are to be used for the benefit of students and school programs or activities. Administration, staff, and other Vanguard Academy employees responsible for the supervision of school-sponsored fundraising activities shall ensure that Vanguard Academy policies and guidelines for handling and depositing funds are strictly followed.

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2. Fundraising activities shall not count as instructional time and are not allowed to interfere with classroom instruction.
3. Only fundraising activities that offer at least forty-percent return of proceeds to the school may be considered.
4. In all fundraising activities, educators shall comply with Utah Educator Standards Utah Admin. Code R277-515 and other Vanguard Academy policies. In particular, educators shall refrain from using his/her position of influence to profit commercially or benefit personally from fundraising (i.e., teachers should not sell products or services offered by a family owned business unless the transaction is arm's-length and the educator receives express permission from the school Director after disclosing the potential conflict of interest). This provision is not intended to prevent educators from communicating opportunities for extracurricular involvement or other enrichment activities.
5. With express approval from the Director, Vanguard Academy employees may receive reimbursement out of fundraising funds for expenses incurred while supervising school- sponsored student activities (i.e., travel, accommodations, and standard, approved per-diems).
6. Fundraising as a Fee. If the activity, camp, class, club or clinic, fundraising event, program, or other events is "provided, sponsored, or supported by a school" or LEA, any amount charged to students must meet the regulations outlined in UCA 53G-7 Part 5,6,7, and 8

8.3.5-3 Student Participation

1. Teams, clubs, classes, or programs may sponsor individual or team fundraisers for appropriate purposes such as travel, equipment, professional services, or other specific purposes consistent with other Vanguard Academy policies and State law.
2. Student participation in school-sponsored fundraising activities shall not impact grades, academic credit, or eligibility for teams, clubs, classes, or programs.
3. Middle school students shall not be required to solicit door-to-door for school-sponsored fundraisers. High school students may participate in one door-to-door solicitation fundraiser per year.
4. Unused funds from group or individual school-sponsored fundraising activities will revert to the designated school account for the team, club, class, or program at the end of the school year and not to students or parents.

8.3.5-4 School-Wide Fundraisers

The following school-wide fundraisers are allowed annually:

1. Passive fundraisers are allowed under the direction and at the discretion of the Director. Marketing information regarding passive fundraisers may not be

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distributed by schools as stand-alone flyers except for information packets for student pictures and forms for schoolbook programs.

The following fundraisers require approval from the Business Administrator, or Director. Each of these activities poses a higher risk of liability and an additional insurance policy will need to be added. NOTE: The insurance policy will increase the cost of the fundraiser event.

1. Activities that pose liability, safety, or risk concerns. These include but not limited to:
 - a. Bounce House
 - b. Bounce Slide
 - c. Mechanical or Animal Rides
 - d. Objects thrown at people
 - e. Use of water tanks
 - f. Trampolines
 - g. Bungee Jumps

2. The following fundraisers are NOT allowed:
 - a. Raffles or games of chance: School entities, including student clubs, are not authorized to participate in raffles because, unlike local SPO's, they are NOT nonprofit organizations exempt from state tax as defined in the franchise Tax Code.

8.3.5-5 Group Fundraising

Funds raised in a required group fundraiser must benefit the group, team, or organization. If LEAs choose to require group fundraising for students to participate in an activity, class, or program, they must comply with all requirements in UCA 53G-7. As a fee, fundraising may be listed on the fee schedule per Board rule R277-407. The amount expected to be received, per student, through required group fundraising must be included as part of the maximum fee amount for an activity. As group fundraising is required and considered a fee, funds raised must provide a benefit to all individuals on the group, team, or organization. This means that fundraising funds cannot be used to only cover the cost of fee waiver students.

8.3.5-6 Utah Sales Tax

1. Utah law provides for a sales tax exemption on school fundraising sales if all of the following conditions are met:
 - a. Funds are used by the school for the purpose of purchasing equipment or materials or to provide transportation.

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- b. Fundraising activities are part of an officially school-sanctioned activity conducted in accordance with this policy.
 - c. Funds are not used to directly or indirectly compensate a teacher or other school employees.
 - d. Revenues from the fundraiser are deposited in a dedicated school account controlled by Vanguard Academy.
2. For all sales made during school-sponsored fundraising activities that do not qualify for the sales tax exemption, schools shall charge, collect, and appropriately remit sales tax.

8.3.5-7 Limitations and Prohibitions

1. Employees are not permitted to accept personal payments, bonuses, or gratuities from commercial fundraising organizations or individuals pursuant to Utah Code 63-56-72 and Utah Admin. Code R277-515. Fundraising incentives, bonuses, etc., however, may be accepted if used to directly benefit students and/or programs.
2. School-sponsored fundraising may not involve communication, advertising, and/or depictions of tobacco or alcoholic products or any other material or product that may not legally be used by school age children or is otherwise not in compliance with the state or Vanguard Academy rules; that may be harmful to the health and welfare of students; that may exploit or create undue intrusion into the classroom or home; that would detract from or interfere with student learning; that would conflict with the educational mission of Vanguard Academy; or that would commercialize or damage the image of Vanguard Academy.
3. Vanguard may not sponsor or co-sponsor fundraising events with the intended or unintended effect of offering an undue advantage to any outside entity or otherwise circumventing Vanguard Academy policies or state laws regarding facility rentals, donations, booster clubs, access to students, etc. For example, an individual or entity shall not be allowed to profit commercially by promising a donation or a portion of event proceeds to a team, club, class, or program in exchange for free or reduced-rate use of facilities, work performed by students or district personnel, or some other advantage gained by using a public facility.
4. School-sponsored fundraisers cannot require students to submit the personal information of other people, and students shall not be used to develop mailing or contact lists for any commercial or fundraising organizations.
5. Vanguard shall ensure against selling during the school day, as part of a fundraiser, food and beverage items that do not meet nutrition standards for competitive foods unless exempted. To be exempted, the number of such fundraisers may not exceed three (3) per year with each fundraiser lasting no longer than five (5) consecutive days. If these conditions are not met, Vanguard Academy shall ensure that all food and beverage items sold as part of a fundraiser meet such nutrition standards. (See Utah Admin. Code R277-719-5.)

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8.3.6 Donations, Gifts and Sponsorships

- A. All funds, property, or goods donated become public funds and the property of Vanguard Academy and shall be used for the purpose for which they were donated and in accordance with State and Vanguard Academy policies. Donations, gifts, and sponsorships shall not be directed at specific employees, individual students, vendors, or brand name goods or services.
- B. Vanguard Academy will comply with all applicable state and federal laws; the State procurement code Utah Code 63G-6a; State Board of Education rules, including construction and improvements; IRS Publication 526 “Charitable Contributions”; and other applicable IRS regulations.
- C. The collection of funds or assets associated with donations, gifts, or sponsorships will comply with Vanguard cash policies. The expenditure of funds associated with donations, gifts, or sponsorships will comply with Vanguard cash policies.
- D. Donations, whether in-kind, cash, or otherwise, shall be complete transfers of ownership, rights, privileges, and/or title in or to the donated goods or services and become exclusive property of Vanguard Academy upon delivery.
- E. Vanguard employees must comply with procurement policies and procedures, including complying with obtaining competitive quotes; bid splitting; and no accepting gifts, gratuities, or kickbacks from vendors or other interested parties.
- F. If donations or gifts are offered in exchange for advertising or other services, an objective valuation will be performed and a charitable receipt will be issued by the Business Administrator.
- G. Donations, gifts, and sponsorships given by vendors to specific programs (e.g., drama, sports teams) or employees shall be evaluated for compliance with Utah Code 63G-6a-2304.5, “Gratuities, Kickbacks, Unlawful use of position or influence”. As required by state law, donations will only be accepted where there is no expectation or promise, expressed or implied, of remuneration or any undue influence or special consideration. Employees are not permitted to accept personal payment or gratuities in any form from a vendor or potential vendor as a precondition for purchase of any product or service.
- H. Donations and gifts over \$250 will be provided with an acknowledgment of the contribution for IRS purposes. The acknowledgment will be in the form of a receipt issued by the Business Administrator. These receipts will be generated from the information provided on the “Donations, Gifts, and Sponsorships” form.

8.3.7 Products

- A. Vanguard Academy may accept donated products which carry the donor company’s name, trademark, logo, or limited advertising on the product (e.g., cups, T-shirts, hats, instructional materials, furniture, office equipment, etc.). The donation should be approved by the business administrator to ensure the LEA desires to take on the product, ensure accurate accounting, and provide proper recognition. These items shall be valued at fair market value at the time of the contribution. Advertising or other services offered in exchange for the donation or gift may alter the contribution amount.

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8.3.8 Cash Donations

- A. Cash donations are welcomed and may be accepted from private individuals, companies, organizations, clubs, foundations, and other appropriate entities. All cash donations will be received in compliance with Vanguard's cash policies.
- B. Cash donations may be used to fund or enhance programs, facilities, equipment, supplies, services, etc.
- C. Cash donations may not be used to hire regular classroom teachers. Classroom assistants, coaching assistants, or specialists of any kind, including individuals who may hold educator licenses, may be hired using the funds received. Donations to fund such positions shall be made to a program or department and not directly to individuals and employment will be processed through Human Resources.
- D. Cash donations shall not be used to augment an employee's remuneration beyond the remunerations associated with the salary schedule of the employee's position.

8.3.9 Donor and Business Partner Recognition

- A. Donor and business partner recognitions may be placed on equipment, furniture, and other donated gifts that are not considered capital or fixed assets. Non-permanent recognitions may be placed on buildings or structures with written approval from the Board of Directors.
- B. Directors may authorize banners, flyers, posters, signs, or other notices recognizing a donor or school business partner. Such materials shall feature the school-business partnership and not promote or endorse the business name.

8.3.10 Equipment, Supplies or Goods

- A. Vanguard may accept donated equipment, supplies, or goods for use in the schools or school programs. These items shall be valued at the fair market value at the time of the contribution. Advertising or other services offered in exchange for the donation or gift may alter the valuation amount.

8.3.11 Approval and Acceptance

- A. Donations, gifts, and sponsorships valued at more than \$250 must be documented on the Vanguard Academy Contribution form. This form must be completed prior to the acceptance of money or goods, and must be retained in accounting records. A copy of the completed form will be sent to the Business Administrator, and a receipt for charitable contribution purposes will be issued to the donor.
- B. Approval levels are as follows:
 - i. Money, goods, supplies, or in-kind donations, gifts, or sponsorships valued at \$250-\$10,000 must be documented on the Vanguard Academy Contribution form and approved by the Director or applicable department or division supervisor prior to acceptance.
 - ii. Money, goods, supplies or in-kind donations, gifts, or sponsorships valued at \$10,000-\$50,000 must be documented on the Vanguard Academy Contribution form and approved by the Business Administrator and Director prior to acceptance.

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- iii. Money, goods, supplies or in-kind donations, gifts, or sponsorships valued at more than \$50,000 must be documented on the Vanguard Academy Contribution form and be approved by the Board of Directors prior to acceptance.

8.3.12 Capital Donations or Gifts/Large Donations or Gift Projects

- A. All donations or gifts for constructions, maintenance, facilities renovation or improvement, and other capital equipment purchases must be approved in writing by the Business Administrator, the Director, and the Board of Directors. Prior to the initiation of a large capital drive or specific fundraising drive, the following will be provided to the Business Administrator for evaluation and recommendation to the Director.
 - i. Prospective construction, maintenance or renovation plans and estimated costs
 - ii. Proposed naming opportunities
 - iii. Proposed donation or gift timeline
 - iv. Loans or financing agreements
 - v. Maintenance or upkeep requirements and costs
 - vi. Assurances of compliance with Title IX
- B. The Director will make a recommendation to the Board of Directors. The Board reserves the right to tentatively approved plans, pending donations, gifts, equity, or other conditions.
- C. All physical facilities are owned and operated by Vanguard Academy. No part of any school facility or capital equipment may be named for a donor without the express written consent of the Board of Directors.
- D. Vanguard Academy shall only grant naming opportunities that are consistent with the mission and educational objectives of the school. Decisions regarding naming opportunities are within the sole discretion of the Board of Directors.

8.3.13 Advertising

- A. To avoid disruption of students' instructional activities, schools shall not be used for distribution of partisan, religious, or commercial advertisements, flyers, bulletins, newspaper, etc.; nor shall such items be placed on vehicles parked on school grounds.
- B. The director may permit the school distribution of flyers, bulletins, newspapers, etc. with information regarding nonprofit community youth programs such as Boy Scouts of America, Girl Scouts of America, county and municipal programs, and little league-type recreation programs. The director may also approve the distribution of school-related flyers, bulletin or newspapers, etc.
- C. Students and employees of Vanguard Academy, including teachers and administrators, shall not act as agents for commercial agents during school hours or contract time.
- D. School employees' participation in a private, but education-related, activity must be separate and distinguishable from the employees' public employment. They may purchase advertising space to promote private or non-school-sponsored events in the same manner as the general public. Their employment and experience may be used to demonstrate qualifications. The advertisement must clearly state that the activity is not school-sponsored. See Utah Admin. Code R277-107 for specific direction.