

Sales, Activities and/or Fundraisers Guide for Principals and Teachers

The principal is responsible for authorizing, reviewing and reporting activities, sales of goods and/or fundraisers conducted by or on behalf of the school. Sales and/or Fundraiser Approval and Reconciliation Forms must be completed and submitted to Fiscal Services for review.

- School teachers/sponsors must report activities, sales and fundraisers to the principal.
- PTA and PTO organizations must report activities, sales and fundraisers to the principal.

Sales of Goods and/or Fundraisers

Each school usually conducts at least one fundraising event each year. School fundraisers must follow these regulations:

- Students should not be used as door-to-door sales agents.
- No money should be paid to vendors prior to delivery of products or services.
- Fundraising projects should be limited in number and be beneficial for students.
- Items sold should be in good taste and appropriate to potential customers, i.e. age, economic status.
- Projected profit from the fundraising project must be worth the efforts of staff, students and parents.
- Generally it is preferable to use the school newsletter to promote fundraisers instead of sending material home with every student.

All non-school related groups wishing to raise funds on a community-wide basis outside of school buildings for the benefit of District 11 students or staff are required to coordinate their activities through the Office of Communications and Community Relations (520-2286). Non-school related groups are those agencies not having a direct relationship or identification with a specific school building such as a private business or service club.

The funds, directly or indirectly, shall be of educational benefit. When a student or students will be the beneficiaries of fundraising activities, the funds collected shall be deposited to the school and redistributed to the students at the direction of the building principal.

All activities must conform to existing local, state or federal laws. Fundraising trips to gambling establishments are not appropriate fundraisers for students.

Parents are non-school related groups and are not to coordinate fundraising activities outside the schools. Parents, who initiate and coordinate fundraising activities on behalf of the District or school, must comply with the same accounting and safeguarding procedures followed by the schools. The fundraiser idea should be presented to the student activity sponsor, who will forward the fundraiser request to the principal.

All proceeds from activities, sales of goods and/or fundraisers must be deposited intact through the school's business office. Under no circumstances will vendors, who attend collection nights, be allowed to take any cash or checks. No outside bank accounts held by parents or activity sponsors are allowed. Expenses related to the activity, sales of goods and/or fundraiser will be processed through the school's business office following all District accounting and safeguarding procedures.

When a school sells goods, the sales may be subject to sales tax collection, remittance and reporting. Sales tax must be collected on sales of yearbooks, concessions, clothing, and miscellaneous tangible personal property, such as stacking cups and yoyos. The sale is a taxable transaction.

- The school should not pay sales tax when the items are purchased by the school.
- Sales tax must be collected by the school for such sales, regardless of cost, sales price, or profit.
- The school should increase the sales price to include the applicable sale tax.

Schools are encouraged to find fundraising projects that are not subject to sales tax. For example, field trips and sales of coupon books, entertainment books, cookie dough, uncooked pasta, and unbaked "butter braids" are not subject to sales taxes.

The school may be liable for collecting sales tax on catalog sales, depending on the arrangement with the catalog vendor. Call 520-2051 for more information if the catalog vendor does not verify that sales taxes are included in the catalog price. Many vendors have one catalog, which includes sales tax, and another catalog, which does not include sales tax.

Sales Tax Requirements

Purchases. The District is exempt from paying sales tax when it makes purchases. Departments and schools do not pay sales tax on purchased items. Vendors are required to grant the District sales tax exemption when payment is made by District check, school check, or purchase card. If sales tax is paid on P-Card purchases, you will be required to obtain a vendor refund of the tax.

The District holds Certificate of Exemption from Colorado Sales and Use Tax #98-02922-0000. The District also holds a Letter of Exemption from City of Colorado Springs Sales and Use Tax dated May 12, 1981. If a vendor requires proof of exemption, copies of the certificate and letter will be provided to the school. Call 250-2051. The exemptions cover direct purchases made by the District/school for its own use. These exemptions do not apply to sales made by the District/school, which may be taxable.

Sales. It is important that the District comply with federal, state, and city laws. Each high school, middle school, and many elementary schools have obtained the appropriate state/county and city licenses for sales of yearbooks, concessions, clothing/T-shirts/sweatshirts/hoodies and other miscellaneous items, such as stacking cups and yoyos. Fiscal Services staff will help you through the process of obtaining these licenses. Call 520-2051 for help.

Elementary schools that have only one or two taxable events a year, instead of obtaining an individual sales tax license, may email their sales information to Mark Capps, Fiscal Services. The school's sales will be included with the District's sales tax report. The school's portion of the sales tax will be charged to the school's SSA program 19010 or one specified by the school.

When departments and schools sell items to students, teachers, or the general public, appropriate state, county, RTA and city sales taxes must be collected, reported and remitted. Generally, the state/county/RTA sales tax payment is due quarterly and the City of Colorado Springs sales tax payment is due annually. Penalties are imposed for late remittances.

Effective January 1, 2005, a 7.4% sales tax must be added to all taxable sales.

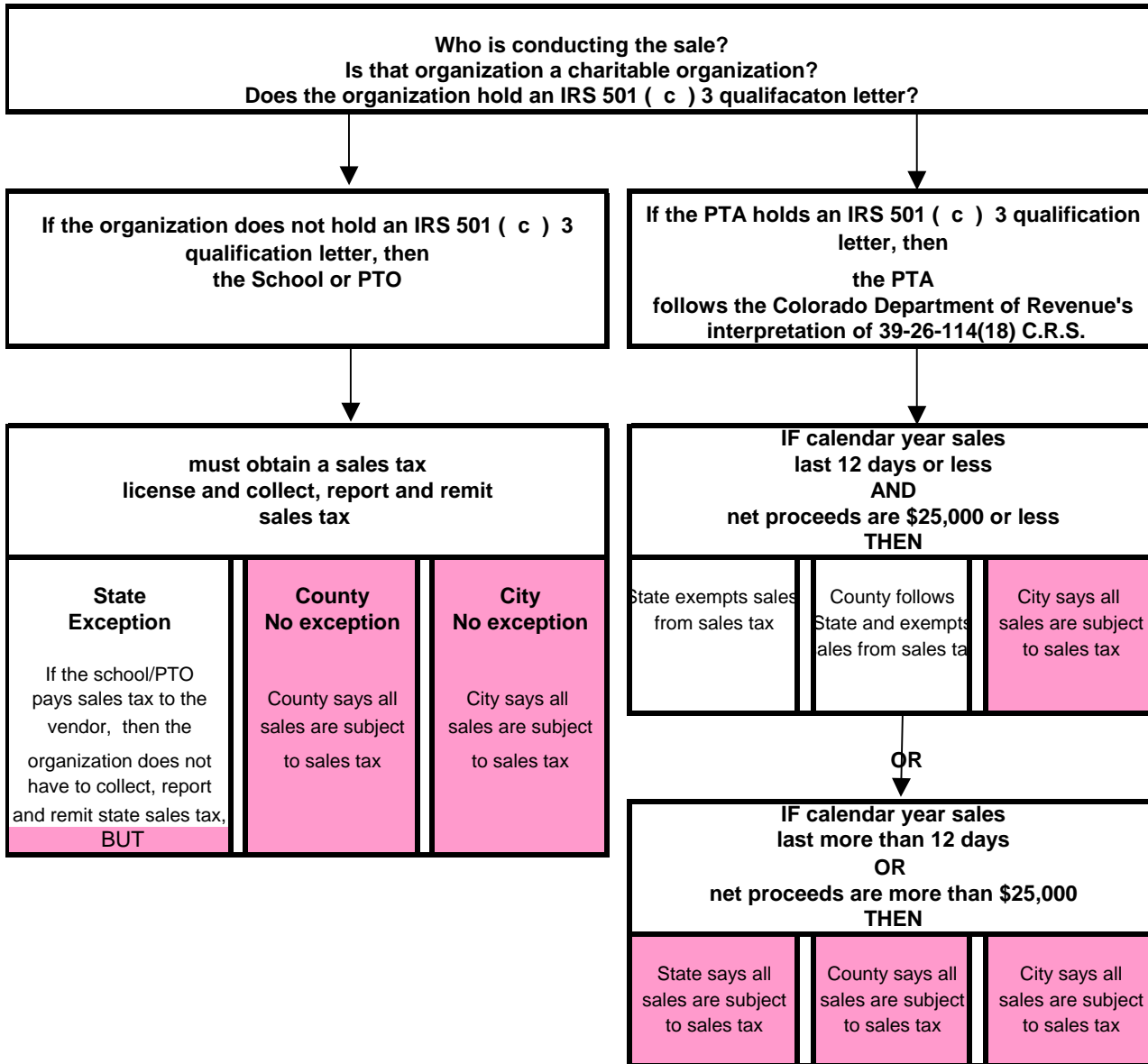
City of Colorado Springs	2.5%
State of Colorado	2.9%
El Paso County	1.0%
RTA	<u>1.0%</u>
	7.4%

Calculation of Sales Taxes

Fundraiser Program #	Sales		Sales Tax					City of Colorado Springs	Total Tax Due 7.4%
	107.4%	100.0%	Colorado Department of Revenue						
	Gross Sales Including Tax	Taxable Sales	State Tax 2.9%	County Tax 1.0%	RTA Tax 1.0%	Total to Dept of Revenue 4.9%	City Tax 2.5%		
	Enter the total amount received	After backing out sales tax							
T-Shirt sales	\$12,595.00	\$11,727.19	\$340.09	\$117.27	\$117.27	\$574.63	\$293.18	\$867.81	
YoYo Sales	500.00	465.55	13.50	4.66	4.66	22.81	11.64	34.45	
Yearbook Sales	250.00	232.77	6.75	2.33	2.33	11.41	5.82	17.23	
Other Taxable Sales	300.00	279.33	8.10	2.79	2.79	13.69	6.98	20.67	
	\$13,645.00	\$12,704.84	\$368.44	\$127.05	\$127.05	\$622.54	\$317.62	\$940.16	
Total Tax @ 7.4%		<u>940.16</u>							
		<u>\$ 13,645.00</u>							

Call Neva Treiber at 520-2051 for an excel version of this form.

SELLING TANGIBLE PERSONAL PROPERTY



Some catalog vendors, as a customer service to the schools, collect applicable sales tax and report and remit all amounts due to the state, county, and city. These catalog vendors are taking the school's responsibility upon themselves. If the vendor fails to pay, the school is still liable.

Other catalog vendors do not provide this customer service, although they may state that their company will remit all sales taxes due. These vendors are not taking on the school's responsibility to collect sales tax. They will not remit sales tax for the school.

It is the school's responsibility to know the difference, regardless of what the salesman states. Call Fiscal Services at 520-2051 if you have questions.

Walsworth Publishing does NOT handle sales tax on behalf of the school. Schools MUST collect, report and remit sales tax on the sale of yearbooks.