



Lufkin ISD Business Office

101 N. Cotton Square

Lufkin, Texas 75904



## **Fundraisers**

By law each campus is only allowed two Tax Free fundraisers per year and any additional fundraiser held must have taxes collected and sent into the state. Campuses have been authorized to have two tax free fundraisers and one non-taxable fundraiser per year. This does not include spring flings, fall festivals, etc. Any fundraisers outside of the three authorized fundraisers are strictly prohibited. It is at the discretion of Central Administration whether a fundraiser is approved or denied.

### **Policies**

All fundraisers must be approved through the Business Office before any plans can be made. You must fill out the [Campus Fundraiser Request Form](#) and submit it to the Business Office for approval. Once the fundraiser is approved you may begin preparations for the fundraiser. To be in compliance with Texas Sale and Use Tax laws, one of the following criteria must be met:

- All items must be delivered by the vendor to the campus/warehouse on the same day.
- All items must be delivered by the school to the customer on the same day.

Any items sold other than the chosen criteria are not considered to be tax free unless they fall on the campus's other tax free day. For example, if a student decides to purchase a yearbook after the initial order is placed they can only purchase it tax free if they collect and pay for it on the day under the criteria listed above. If they do not, then sales tax must be collected and filed with the state. The District has elected not to collect and submit sales tax to the State so no purchases can be made that do not meet the criteria listed above.

If you are holding a fundraiser through a catalog sale, vendors generally pay taxes on all of these sales. This would not go against your tax free days but you must get documentation from the vendor on how they record their taxable sales.

See Texas Comptroller [Publication 94-193](#) for more information on School Fundraisers.

### **Procedures**

Before any plans can be made concerning a fundraiser, a [Campus Fundraiser Request Form](#) must be filled out and approved by the Business Office. Once you know tentatively how much your fundraiser order is going to be, your campus secretary must enter a PO for the estimate of the merchandise to be purchased. When the merchandise has been received, the receiving date will be entered onto the

[Campus Fundraiser Request Form](#) to verify that the fundraiser qualifies for one of your Tax Free day. After the merchandise has been given to the customers and all proceeds have been collected, you must fill out a [Fundraiser Profit/Loss Statement](#) to reconcile your non-taxed sales for the event. If the fundraiser is from a catalog sale, you must include information from the vendor on how they record and pay their taxes. All deposits for fundraisers must be sent over to the business office with the exact name of the fundraiser as the description line. Each campus will have a subset of account codes in their campus activity fund (461) strictly for purchases and deposits for their fundraisers. **Please make sure you use these account codes.** This is to aid the business office in filing the District's Texas Sale and Use Tax return at the beginning of each year.