

# FUNDRAISING GUIDELINE

## Objectives<sup>1</sup>

Ontarians are proud of their publicly funded education system and committed to the high standards that provide every student with the opportunity to succeed. The province recognizes that parents and communities may choose to support their schools through fundraising activities. These activities have the potential to enrich the experience of our students, but also help build a broader sense of community outside school hours. Funds can be raised for a particular school or on a board level – both have the potential to enhance parent engagement and contribute to a student’s educational experience<sup>2</sup>.

Like all activities that support education, fundraising should reflect the values and expectations of the school community, including those of parents, students, staff, and school board trustees. In addition, communities deserve to know how schools and school boards will use the proceeds of their fundraising activities.

When a school chooses to engage in fundraising activities, it is important to consider the purposes and principles of public education, including diversity, accessibility, and inclusivity. These activities are conducted under the guidance of the school principal, in accordance with school board policies and with advice and input from the school community. Finally, it is important that fundraising has a designated purpose and that the proceeds be used for the intended purpose.

Funds raised for school purposes:

- Should not be used to replace public funding for education; and
- Should not be used to support items funded through provincial grants, such as classroom learning materials, textbooks and repairs or for capital projects that significantly increase operating costs.

While most fundraising takes place at the school level, school boards set board-wide fundraising policies and are responsible for the reporting and safekeeping of all school-generated funds. This guideline serves as an aid to school boards in the development of

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<sup>1</sup> On all legal questions relating to the subjects covered in this guideline, boards should rely on the advice of their own legal counsel.

<sup>2</sup> For additional information on parental involvement, please see <http://www.edu.gov.on.ca/eng/parents/getinvolved.html>

policies and to schools on how to effectively plan and administer fundraising activities and how to report on these activities to the school community.

The objectives of this guideline are to:

- Identify guiding principles and best practices;
- Provide a foundation for school boards to develop or update existing guidelines, policies and procedures; and,
- Give some examples of appropriate and inappropriate practices to protect school board staff and fundraising volunteers when managing fundraising proceeds.

**The best practices and examples provided in this guideline are not intended to be a comprehensive list. School boards may identify other examples and best practices that reflect their geographic, demographic and community circumstances.**

In summary, when schools choose to engage in fundraising activities, it is important to:

- Comply with school board policies to help ensure that the activities are consistent with the purposes and principles of public education;
- Seek advice from the school community; and
- Support and protect staff and volunteers from legal liability through practices that promote accountability for the handling and management of the proceeds raised from these activities.

## **Definitions**

### **School-generated funds**

School-generated funds are funds that are raised and collected in the school or broader community in the name of the school by school councils or other school or parent administered groups.<sup>3</sup> These funds are administered by the school principal, and are raised or collected from sources other than the school board's operating and capital budgets.

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<sup>3</sup> This does not include funds raised by the Ontario Federation of Home and School Associations (OFHSA, <http://ofhsa.ca>) as an incorporated entity; while funds are in their possession. While this guideline does not apply to the activities undertaken by OFHSA for purposes of fundraising, schools should refer to this guideline and their boards' policies on fundraising when accepting donations or the proceeds from fundraising activities undertaken by OFHSA or its units.

School generated funds is a broad category which includes not only fundraising for school purposes, but also all funds that are collected and paid out through school accounts to support a variety of programs such as payments to charities or other third parties (e.g. tour operators, and hot lunch programs).

## **Fundraising**

Fundraising is any activity, permitted under a school board's policy, to raise money or other resources, that is approved by the school principal, in consultation with, and upon the advice of the school council, and/or a school fundraising organization operating in the name of the school, and for which the school provides the administrative processes for collection. Such activities may take place on or off school property.

## **School Community**

The school community refers to students, parents, guardians, school councils, trustees, school administrators, staff, members of the broader community and partners, as well as others, who support the local school and student achievement.

## **Outline**

This guideline addresses the following four areas:

- I. Guiding Principles** – key principles to guide school board fundraising policies
- II. Fundraising Activities** – compliance requirements related to fundraising activities including examples of eligible and ineligible activities
- III. Best Practices** – best practices related to fundraising activities
- IV. Accountability and Financial Reporting** – best practices to meet public expectations and uphold public trust, such as financial reporting requirements.

## **Guiding Principles**

A distinct board-wide fundraising policy will ensure consistency and transparency in the collection and distribution of funds and should reflect the following principles:

### Complementary to Publicly Funded Education

- Funds raised for school purposes are used to complement, not replace, public funding for education.
- The purposes for which funds are collected are consistent with the school board's mission and values.

- Activities support student achievement and do not detract from the learning environment.

## **Voluntary**

- Participation in fundraising activities is strictly voluntary. No individuals should feel compelled to participate in any fundraising activity, nor should they be subject to penalties, or be denied any benefits, if they choose not to participate.
- The school community is welcome to participate in fundraising activities. These activities should reflect the diversity, values and priorities of the local school community.
- Privacy must be respected. The personal information of staff, students or other individuals is not shared for the purposes of fundraising without prior consent. (The use of personal information by school boards is governed by the *Municipal Freedom of Information and Protection of Privacy Act*).

## **Safety**

- The safety of students is a primary consideration in all fundraising activities.
- Student fundraising activities require supervision and should be age-appropriate.
- Appropriate safeguards are in place regarding collection, deposit, recording, and use of public funds.

## **Accountable & Transparent**

- Fundraising activities are developed and organized with advice and assistance from the school community, including students, staff, parents, and community organizations.
- School boards have a distinct policy for fundraising that addresses the use of fundraising proceeds and accounting for school-generated funds. The policy is publicly available on the school board's website.
- A fundraising activity does not result in any person, including school board staff or volunteers, benefiting materially or financially from the activity.
- Fundraising has a designated purpose and the proceeds are used for that purpose.
- Transparent financial reporting practices to the school community are in place.

## Fundraising Activities

There is a wide variety of ways a school community can show support for its local school, or the broader school community, including fundraising. Consistency with these guiding principles and school board policies and procedures should be considered when conducting any fundraising activity.

The Province provides capital funding for the construction of new schools and additions, for repairs and renovations, and for the operation and maintenance of schools, including heating, lighting and cleaning. Funds raised for school purposes are to be used to complement, not replace, public funding for education. (For additional information on education funding, please see <http://www.edu.gov.on.ca/eng/parents/funding/index.html>).

Capital projects supported by fundraising proceeds<sup>4</sup> should:

- Be complementary to publicly funded education;
- Not result in an increase in the student capacity of a school<sup>5</sup>; and
- Not result in a significant increase in school or board operating or capital costs.

Fundraising activities must be compliant with:

- Municipal, provincial, and federal legislation; and
- Ministry of Education guidelines and policies, such as the School Food and Beverage Policy, Equity and Inclusive Education Strategy, Facility Partnerships Guideline and the Broader Public Sector Procurement Directive.

Examples of Unacceptable Uses of Fundraising Proceeds

- Items funded through provincial grants such as classroom learning materials and textbooks
- Facility renewal, maintenance, or upgrades funded through provincial grants such as structural repairs, sanitation, emergency repairs, or replacing flooring due to wear and tear

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<sup>4</sup> This guideline does not address joint-use facilities; please refer to Facility Partnerships Guideline (February 11, 2010)

[http://faab.edu.gov.on.ca/Memos/B2010/B\\_%201%20Attach%20%20Facility%20Partnerships%20Guideline.pdf](http://faab.edu.gov.on.ca/Memos/B2010/B_%201%20Attach%20%20Facility%20Partnerships%20Guideline.pdf)

<sup>5</sup> As defined by the Ministry of Education's pupil place capacity.

- Infrastructure improvements which increase the student capacity of a school or are funded by provincial grants (for example, classrooms, additions, gyms, labs)
- Goods or services for employees, where such purchases would contravene the

*Education Act* or a school council's by-laws regarding conflict of interest

- Professional development including support for teacher attendance at professional development activities
- Administrative expenses not associated with fundraising activity. Any administrative expenses associated with fundraising activity should be minimized.
- Support for partisan political activity, groups or candidates.

#### Examples of Acceptable Uses of Fundraising Proceeds

- Assistance fund (for example, a fund serving a charitable purpose to benefit students, such as providing payment for the cost of a field trip for students who cannot afford it)
- Supplies, equipment or services which complement items funded by provincial grants (for example, extracurricular band equipment, audio-visual equipment)
- Field trips or other excursions (for example, in-province, out-of-province, or trips abroad)
- Guest speakers or presentations
- Ceremonies, awards, plaques, trophies or prizes for students
- Scholarships or bursaries
- Extracurricular activities and events (for example, travel and entry fees for sports competitions, school team uniforms, school band, choir, clubs)
- School yard improvement projects (for example, playground equipment, shade structures, gardens, outdoor skating rink)
- Upgrades to sporting facilities such as running tracks, installation of artificial turf and scoreboards
- Support for activities that are unique to the denominational or cultural character of the school (for example, student retreats).

## Best Practices

Fundraising activities can benefit schools and their communities by fostering stronger community and school partnerships, increased student and community engagement and by providing support for student or charitable organizations. The contribution of the school community towards these benefits is of value to schools.

School boards should consider the following when developing board-wide fundraising policies:

- Supporting schools to develop fundraising plans;
- Setting a limit on the number of and extent of fundraising activities in each school;
- Co-ordinating activities across schools and community organizations;
- Limiting the impact on classroom time for staff and students and administrative time for school principals and support staff;
- Supporting donations to board-level funds, or matching programs among schools and/or school councils (for example, a percentage of every dollar raised is allocated to a central board equity fund or put towards board-wide programs that benefit all students);
- Addressing shortages, overages, and cancellations; (students participating in fundraising activities should not be held responsible for any loss that may be incurred);
- Depositing fundraising revenues in school accounts as opposed to accounts held outside the school, to mitigate risk; and
- Minimizing administrative expenses associated with conducting fundraising activities.

In cases where a portion of school fundraising proceeds will be directed to support board- level funding, the board should be open and transparent with parents and the community about the intended use of those funds. For example, school boards should consider posting a list on their website that clearly identifies how proceeds from local school fundraising activities will be used.

When schools are planning and selecting capital projects which will be supported by fundraising activities the following best practices should be considered:

- Requiring a viability review that examines alignment with the school board's overall capital priorities and planning processes, the school improvement plan, and Ministry priorities;
- Analyzing costs for future maintenance and repairs ; and
- Restrictions related to conflict of interest and procurement policies.

## **Accountability and Financial Reporting**

To meet the public's expectations and demonstrate stewardship for public dollars, each school should prepare an annual report on school-generated funds.

The school community must be informed as to how proceeds from fundraising, fees, and corporate donations, are used. The intent of the donations should be clearly communicated to contributors to ensure that the donations can be recorded appropriately and to address any accounting implications.

Schools may determine the best communication vehicles for their local school community (e.g., newsletter, posting to school website). School boards may also choose to report to the school community in an annual report, which may include an overview of school-level fundraising across the school board and board-level donations and corporate partnerships.

## **Financial Reporting**

Public Sector Accounting Board (PSAB) standards require that all school boards consolidate funds generated at the school level with the annual financial statements of the school board<sup>6</sup>. All funds collected through school, or school council, fundraising are subject to the board's regular audit and accountability requirements. As school councils are advisory bodies, and not entities with the legal capacity of a corporate body, funds collected through the school council must be reported by the school board, which is a corporate body.

By regulation, fundraising by school councils is required to be in accordance with board policies and for a purpose approved by the board, or authorized by board policy. In addition, school councils must report annually to the principal and to the board on their fundraising activities.

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<sup>6</sup> For more information on effective practices please see the Ontario Association of School Business Officials' Finance's Committee Guidelines for School-generated Funds (Revised June 2014) at the Ontario Association of School Business Officials' website <http://c.ymcdn.com/sites/www.oasbo.org/resource/resmgr/OASBOSGFGuidelinesJune2014.pdf>



School board procedures must address:

- The establishment of school bank accounts, issuing receipts, authority to pay disbursements, recording donations, investments, bank reconciliations, records retention, financial reporting, financial responsibility for shortages and overages generated by the fundraising activity; financial review/audit; and a chart of accounts;
- Roles, responsibilities, and required approvals at the board and school level, for all activities related to school-generated funds; and
- Compliance with board policies and municipal, provincial, and federal laws and regulations.

School boards should communicate and train school administrative staff on procedures dealing with the collection, disbursement, and accounting of school-generated funds.

These procedures should ensure both the safeguarding and the accurate financial reporting of these funds.