PG-5.290: FUNDRAISING

Sec. 1. PURPOSE OF POLICY.

Through this policy, the Board of Directors (hereafter, the "Board") of **Midland Academy Charter** doing business as Midland Academy (hereafter, the "School") shall address the legal requirements, as applicable, promulgated at:

(a) Texas Education Code ("Tex. Ed. Code") Sections 12.115(a)(2) and 12.128;
(b) Texas Business Organizations Code ("Tex. Bus. Org. Code");
(c) Texas Administrative Code, Title 19 ("19 TAC"), § 100.1047(b); and
(d) *Government Auditing Standards*.

Additionally, through this policy, the Board shall address best practices adopted by public schools.

Sec. 2. APPLICABILITY OF POLICY.

This policy pertains to the receipt, safeguarding and use of funds received by School personnel. This policy supplements the Board's Policy for Gift Acceptance.

Sec. 3. AUTHORITY OVER FISCAL MATTERS.

Sec. 3.1. In accordance with state law, the Board has primary and ultimate authority over fiscal matters. If a matter or decision-making process is not addressed in this or other duly adopted policies of the Board, authority rests with the Board. In the event of a conflict between this policy and any other Board policy, such conflict shall be brought to the Board for resolution. Refer to the Board's Policy relating to its Authority Over Fiscal Matters (the "Controlling Policy") for requirements applicable to this policy.

Sec. 3.2. The Delegate, as defined in Sec. 3.2 of the Controlling Policy, shall report to the Board any business arrangement or transaction with an individual that is an officer, as defined in Sec. 5 of the Controlling Policy, and any conflicted,[1] interested[2] or related[3] party, as defined in other Board policy or applicable law. The School and its officers may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

Sec. 3.3. As established in Sec. 4 of the Controlling Policy, where the Delegate is authorized to confer authority to a designee (as denoted by the phrase "or designee"), the Delegate may confer such authority to a single designee.

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[1] Tex. Ed. Code § 12.1054; 19 TAC §§ 100.1131 through 100.1135
[2] 19 TAC § 100.1047(f)
[3] Tex. Ed. Code § 12.1166

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Sec. 4. CONTRIBUTIONS RECEIVED.

Sec. 4.1. Cash Defined. For purposes of this policy, cash means coin, currency, money orders, cashier's checks, personal checks, and business checks, including any funds maintained in a bank, investment, savings, or other similar account.

Sec. 4.2. In-Kind Contributions. In-kind contributions are recognized and recorded at fair market value on the date received. The donor shall provide the fair market value of the donated item or service.

Sec. 4.3. Contributions to the School Child Nutrition Program. The School's Child Nutrition Program (CNP) staff shall collect and deposit all monies received from students, or their parents or guardians, for meals and snacks. CNP staff shall also create and maintain records of all such payments to provide parents (or guardians) and students timely, accurate account balances.

Sec. 4.4. Contributions Received by Campus. Campuses are only authorized to receive cash and credit card contributions from donors. Moreover, campus principals may not accept a contribution governed by the Board's Policy for Gift Acceptance.

Sec. 4.5. Contributions Received from Vendors. School officers, as defined in Sec. 5 of the Controlling Policy, and employees may not receive contributions directly from any vendor. If a vendor makes a cash or in-kind contribution to an officer or employee, the officer or employee shall route the contribution to the Delegate or designee. The Delegate or designee shall maintain proper control of the contribution. See Board Policy relating to Gift Acceptance for additional requirements.

Sec. 4.6. Special Events. The School may organize special events for the purpose of raising funds from donors. School officers, as defined in Sec. 5 of the Controlling Policy, must ensure that special events yield fundraising results that exceed the cost of the event by at least fifty percent (50%).

Sec. 4.7. Use of Unrestricted Contributions. An unrestricted contribution is a contribution from a donor who did not require that any condition(s) be met so that the contribution may be used. In this instance, the School may use an unrestricted contribution for any lawful purpose. However, unrestricted and lawful purposes do not mean "any purpose" but rather means and is limited to an authorized charitable purpose of the School that is in furtherance of the School's mission and in the best interest of students. The applicable grant or donation agreement must also be considered and reviewed to confirm. Any doubts on use or if it unclear, the Delegate or designee should confirm intent and/or approval in writing with the donor.

Sec. 4.8. Use of Restricted Contributions. A restricted contribution is a contribution from a donor who stipulated, in writing, that a specific condition(s) must be met so that the contribution may be used. In this instance, the School may only use a restricted contribution as stipulated by the donor. To ensure compliance with the donor's stipulation(s), the Delegate or designee shall obtain a

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written agreement from the donor setting forth the specific condition(s) that must be met to enable School to use the contribution received.

Sec. 4.9. Reports to Donors. The Delegate or designee shall provide a report to donors disclosing the uses of their contributions.

Sec. 4.10. Compliance with Donor Agreements. The Delegate or designee shall ensure compliance with any donor/grant agreement and periodically review the same.

Sec. 5. TAX-EXEMPT LETTER.

Sec. 5.1. See Board Policy relating to Gift Acceptance, Sec. 10.

Sec. 5.2. Upon Request from Donor. The School shall issue a tax-exempt letter to a donor upon request or as otherwise where required by law.

Sec. 5.3. Written Acknowledgement of Certain Donations.[4] In accordance with the Internal Revenue Code and Treasury Regulations, a donor is prohibited from claiming a tax deduction for any single contribution of $250 or more unless the donor receives a contemporaneous, written acknowledgement of the contribution from the School. To facilitate the donor's compliance with applicable law, the School may provide a donor contributing $250 or more with a timely, written annual statement that includes, on the School's letterhead:

(a) The School's name;
(b) The amount of the cash contribution(s) received from the donor during the calendar year;
(c) A description (but not the value) of the non-cash contribution(s), if any; and
(d) A statement that no goods or services were provided by School in return for the contribution, if applicable; or
(e) A description and good faith estimate of the value of goods or services that School provided in return for the contribution, if applicable.

Sec. 5.4. Form of Written Acknowledgement. The School may provide the written acknowledgement via U.S. Postal Service or electronic mail.

Sec. 5.5. Contemporaneous Defined.[5] For purposes of Sec. 5.2 of this policy, the School must provide the donor with a written acknowledgement by January 31 of the calendar year following the receipt of the donor's contribution.

Sec. 5.6. Records. The Delegate or designee shall create, obtain, and maintain adequate and sufficient records to support the receipt of contributions and fundraising proceeds, as required by applicable law, rule and policy.

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[4] IRS Publication 1771 (Rev. 3-2016) Catalog Number 20054Q, page 2.
[5] *Ibid*, page 3.

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Sec. 6. TRAINING AND UPDATES.[6]

The Delegate or designee shall properly train officers and employees on the requirements of this policy and any administrative procedure(s) adopted to implement this policy. Additionally, the Delegate or designee shall keep officers and employees informed of any changes to this policy and related requirements.

Sec. 7. ADMINISTRATIVE PROCEDURES.[7]

The Delegate shall formally adopt administrative procedures as reasonably necessary to properly administer this policy and to adhere to applicable law and rule. In doing so, the Delegate shall not adopt, and is prohibited from adopting, an administrative procedure that conflicts with applicable law or this policy. Accordingly, the Delegate shall confer with the Board or legal counsel before deviating from the requirements set forth in this policy. In the event that a deviation from this policy becomes necessary, the Delegate shall either recommend an amendment to this policy or the Board's approval of a specific deviation, including the purpose, scope and duration of the requested deviation.

Sec. 8. DATE ADOPTED AND EFFECTIVE.

As set forth in the pertinent minutes to the meeting of the Board, the Board adopted this policy on 09/20/2022 and became effective on 09/20/2022.

Sec. 9. RETENTION.[8]

This policy shall be retained until superseded, expired, or discontinued and for five (5) years thereafter.

Sec. 10. CERTIFICATION.

The Undersigned, being the Secretary of the Corporation, hereby certifies that the foregoing represents a true copy of the Board Policy relating to Fundraising, as originally adopted by the

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6 2 CFR § 200.303(a), U.S. Government Accountability Office *Standards for Internal Control in the Federal Government*, 4.02 and 4.05.

7 Consistent with 19 TAC § 100.1033(b)(14)(C)(iv), the Board has the final authority to adopt policies governing charter school operations, including authorizing the Delegate or designee to adopt an administrative procedure to implement this policy. Moreover, as set forth in School's Articles of Incorporation and Bylaws and in accordance with Tex. Bus. Org. Code §§ 3.101 and 22.201, the Board is School's governing authority and, as such, manages and directs School's business and affairs through Board actions, resolutions and policy.

8 Tex. Ed. Code §12.1052; 19 TAC §100.1203; See Record Number GR1000-38 and GR1025-25 in Local Schedule GR: Records Common to All Local Governments, Revised 5th Edition (Effective April 17, 2016) adopted by the Texas State Library and Archives Commission at Texas Administrative Code, Title 13, §7.125(a)(1).

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Board on 09/20/2022, which Policy, as amended, is in full force and effect and has not been revoked or amended.

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Print
Name:_____
Secretary

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Date Certified

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