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To: Principals, Bookkeepers & Fundraising Sponsors
Cc: Arthur L. Jackson, Executive Director, Business Office
From: Reina L. Sturdivant, Senior Director, Treasury
Date: December 6, 2019
RE: Charitable Contributions and Social Committee Activity Funds

To comply with the Governmental Accounting Standards Board Statement No. 84, the district must modify procedures related to fundraising and social committee activities. Effective immediately, all school-level monies deposited into First Independence Bank accounts must follow the (State of Michigan's) Revised School Code as it governs gifts and disbursements. Consequently, charitable contributions and donations may not be disbursed from any school's First Independence Bank account. Also, schools are no longer permitted to have a social committee activity fund on their general ledger. All monies deposited into the school's First Independence Bank account must be disbursed ONLY to benefit students.

Charitable Contributions and Donations

All requests to have fundraisers in which proceeds will be used to donate to charity will be denied.

If your school has a PTA group or another non-profit organization (with a separate bank account) that would like to sponsor the fundraiser, they may do so with the proper approval. The principal is responsible for verifying that the PTA group or non-profit organization exists legally as a separate entity.

The non-profit entity will still need to complete the fundraising request so that their event can be properly approved. After the approval process has been completed, the non-profit entity is not required to follow the district's cash management procedures on condition that the funds are deposited into a separate bank account.

Social Committees

All schools with a "social committee" (or similar) general ledger activity account, must spend all related monies by January 31, 2020. Unspent "social committee" funds will be transferred to the general school fund on January 31, 2020.

HMD will close all social committee activity accounts and remove them from the general ledger when completing the January bank reconciliation (in February 2020).

If you have any questions or concerns regarding these matters, please do not hesitate to contact Cash Management.

Students Rise. We all Rise