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MEMORANDUM

DATE: April 16, 2013
TO: *EarlyLearn* Contractors
FROM: Jose Mercado 
SUBJECT: Facility/Property Related Fundraising Policies for
EarlyLearn Contractors
EL Numbered Memorandum #4

This memorandum serves as clarification regarding fundraising events or activities and will specifically address rentals, space cost agreements or the renting out of said property to a third party, as well as the use of equipment and supplies funded by ACS for the purposes of fundraising.

All contract providers are reminded to fully adhere to the specifications, terms and conditions outlined under the "Children's Services City Leased Space Policy" for all leased and City owned properties (see attached).

General Guidelines

ACS encourages all contractors to raise funds when possible as these funds can provide additional resources which can be used to support the provision of services to children and families. On-site fundraising events and/or activities and the use of equipment and supplies funded by ACS are allowable under certain circumstances as described below.

To ensure that your organization is properly following the stated procedures your assigned Budget Analyst should be contacted no later than two weeks prior to the planned event when (1) a facility is used for any fundraising-activity or when (2) a facility is being rented out to a third party.

Event Hours: All fundraising events scheduled during the week must be held after normal business hours, as specified in the ACS contract. Fundraising is allowed during any hour of the day on the weekends (Saturday and Sunday) only, however, all costs associated with operating the facility during the weekends, such as insurance, utilities and staff time must be covered from revenue received from fundraising.

No funds may be solicited, collected or tabulated during work hours.

ACS funded equipment and supplies may be used after normal business hours if approved by ACS and cost allocated against revenue received.

Staff Participation and Compensation

Staff paid with ACS funds may not engage in fundraising activities during their assigned working hours and should not be paid out of ACS funds to support these initiatives.

Staff members may, however, volunteer during non-working hours.

Insurance

ACS insurance coverage for Day Care or Head Centers for business-related activity occurring during normal business hours includes: workers' compensation and employers liability, commercial general liability, special accident and property. This coverage extends to all property ACS has contract with to provide service. **ACS insurance will not cover activities occurring after business hours and weekends. It is, therefore, incumbent upon the contractor to obtain the necessary insurance to cover any activities occurring after normal business hours and during weekends.**

Utilities

For ACS funded properties, ACS either pays directly to the utility authority or contributes to the utilities of these properties during normal business hours. Contractors may not bill ACS for the costs of any fundraising done after hours or on the weekends, unless a formal agreement has been established where the contractor allocates these costs among the revenue received from fundraising. **In all leased and owned properties the contractor is responsible for reimbursing the City for its use of utilities beyond normal business hours.**

Board Responsibility

All revenue received from fundraising is the property of the Board of Directors (The Board). As such, The Board is responsible for the accounting of these funds. Any revenue generated by such fundraising must be used in ways that are consistent with the contractor's mission. The expenses and revenue generated from fundraising are subject to the same requirements as expenses of any other grant funds. Contractors may not use revenue for purposes that they would not otherwise be allowed to charge to their ongoing contract with ACS or any other entity.

Recording of Revenue and Expenses

A separate fund/account in the general ledger should be established in order to keep track of all the transactions regarding all fundraising expenses and revenues. These funds must also be kept in a separate bank account and not comingled with other funds received by ACS or any other entity.

Revenue collected from fundraising can either be classified as unrestricted or temporarily restricted funds. How the funds are raised will dictate how these funds will be classified. In the course of fundraising if there is a time frame in which the funds have to be spent and for a specific purpose they should be recorded as temporarily restricted funds. If the funding does not meet any of these requirements then these funds should be classified as unrestricted.

Reporting of Revenue

Revenue generated from fundraising should be reported as part of contractor's audited financial statements, IRS 990 and Charitable 500 documents.

Thank you for your cooperation in this matter. If you have any questions, please contact your Budget Analysts.