



## Easy Fund Raisers for Homeschool Organizations

by Carol Topp, CPA

Many homeschool groups bring in needed income through fundraisers. Through experience I have found that some fundraisers are much easier to conduct than others. Although very common, selling products door to door is one of the hardest ways to raise money because managing the orders, delivering the product, and storing inventory is a lot of hard work. My homeschool group had tried selling products in the past, but we wanted an easier way to bring in funds. We found several ideas that have worked well for homeschool groups including reward and coupon programs, fund raising dinners, donation drives and website income.

### Coupon and Reward Programs

There are several grocery stores and retail businesses that make donations to nonprofit organizations, such as homeschool groups, as a reward for shopping with them.

**Box Tops for Education:** This General Mills program is a coupons-for-cash program. Your members cut off a small 10-cent coupon from GM cereal box tops (or other products), collect them and turn them in. In exchange, GM will mail a check made payable to your organization. What could be easier? Little organization is needed—just applying to the program and finding someone to be responsible for collecting the coupons. Everyone in your organization can do their part, and even small contributions add up. Here are some tips to get Box Tops working for you:

- Give an incentive for participation. For every donation of box tops, our coordinator gives a piece of candy or a sticker.
- Use a visual display. Make a poster with the goal and chart progress as a thermometer or perhaps a big box of cereal!
- Have a financial target. Perhaps your homeschool co-op needs to purchase equipment for preschoolers or wants more school supplies. Collect box tops with a financial goal in mind to motivate the collection.

In order to participate, homeschool groups should fit the description on the Box Tops for Education website: “Accredited home school associations, K-8, in the United States that are organized and operated primarily for educational purposes and have 15 or more students.” (<http://www.boxtops4education.com/AboutBoxTops/FAQ.aspx>) General Mills

does not define “accredited,” and many homeschool groups use this program as an easy fundraiser.

**Shopping Reward Programs:** Reward programs return a portion of a shopper’s purchases (typically 2-4%) to a nonprofit of their choice. My co-op of 50 families received \$500 one year when we participated. The amount earned can vary widely based on your members' participation. Typically the store issues a pre-paid card. The card is then used to make purchases and can be reloaded for more purchases. These reward programs are easy because your organization doesn't sell products door-to-door.

**E Scrip** is a fund raising program, similar to the store reward programs, where businesses contribute a percentage of your credit and debit card purchases to the organization of your choice. One homeschool group in California earned \$1,468 from E Scrip. Visit the E Scrip website to learn how it works: <http://www.escrip.com/>

### **Food as a Fundraiser**

We have pizza day once a month at our homeschool co-op. It has been an enjoyable, and easy way to generate income. We announce a week beforehand that pizzas will be ordered the next week. We take orders for whole pizzas for \$10. To keep it simple we only order two types: cheese and pepperoni. Everyone brings their own drinks, paper plates and napkins. Pizza day has been very popular in our co-op. The kids love the food; moms love the low price and our co-op makes about \$1.00 in profit on each pizza even after tipping the deliveryman. It adds up every month!

Other homeschool groups host dinner theaters and spaghetti suppers to raise money. I wouldn't classify these as *easy* fundraisers, but some groups enjoy the collective efforts of putting on a production. The children can help serve and clean up after the meal. Some groups like to combine the dinner with a program such as a play, talent show, or an end-of-year show and tell.

### **Donation Drives**

Nonprofits have been raising money for their mission through donation drives for generations. Homeschool groups could follow their pattern with a unique angle. Nancy Carter's support group in Kentucky has a read-a-thon each year. The kids find sponsors who make donations for every book they read for two weeks. The support group asks local businesses to donate prizes and then they have a party for all that participated. It has been a great fundraiser and a fun time for Nancy's group!

When Kristen Fragala was a support group leader, she wrote a simple fund raising letter for members to send to grandparents, friends and neighbors who were supportive of the family and homeschooling. The letter asked these friends and relatives to make a donation to the support group for any amount. This approach is very straightforward and can be quite successful. Your organization must be a 501(c)(3) IRS qualified charity in

order for these donations to be tax deductions to the donor. If your donation drives are successful, your group should consider obtaining 501(c)(3) status. This status usually increases donations because the donor receives a tax deduction for their gift. Visit [www.HomeshoolCPA.com](http://www.HomeshoolCPA.com) for more information.

### **Income from Your Website**

Your group can receive funds by putting an Amazon.com link on your website and encouraging members to shop at Amazon via the link. Amazon will pay your organization 5% of all purchases or 15% if you link a specific book title. Visit <http://affiliate-program.amazon.com/gp/associates/join> to learn more about this easy way to earn money.

Google's AdSense on your homeschool group's website can bring in additional revenue. Be aware that you cannot choose the ads that will appear on your website. You can, however, indicate a target audience based on key words you supply such as "homeschool." Visit [www.google.com/adsense](http://www.google.com/adsense) to read the details.

### **Can a Family Homeschool Have a Fundraiser?**

So far, I have addressed homeschool groups holding fundraisers, but your family homeschool can have a fundraiser if you follow a few guidelines. Here are some tips from fundraising expert, Jim Berigan a former Christian school principal and non-profit director, at [www.TopSchoolFundraisers.com](http://www.TopSchoolFundraisers.com).

Check with the fund raising organization first. Some fundraising organizations limit their programs to groups or organizations and will not allow an individual family to participate.

- Understand the tax implication of your fund raising income. Speak with an accountant or tax preparer before you attempt a fundraiser. Your profit from the fundraiser will need to be reported as income on your tax return.
- Keep excellent records of everything you earn and everything you spend.
- Reach out to the leadership of the local homeschool network in your area to ask their advice and learn from their experience.

### **Reporting Fundraiser Income**

Sometimes your fund raising efforts are so successful you may wonder if your group owes anything to the government in taxes. For the most part, fundraising is not considered part of your group's mission; it is just a means to the end. After all, your group's mission is to encourage homeschooling, not to sell ads, pizza or other products.

The Internal Revenue Service calls the money you raise “Unrelated Business Income,” meaning it is money collected in a trade or business that is *not* related to your primary mission. The IRS does assess a tax on unrelated business income called the Unrelated Business Income Tax or UBIT. The purpose of this tax is to prevent nonprofit, tax-exempt organizations from having an unfair advantage over the for-profit marketplace. The best example is a gift shop in a nonprofit hospital. The income from a gift shop is not related to the hospital’s primary purpose of giving medical treatment, so the profits from the gift shop are taxed. Fortunately the IRS has several exceptions to the UBIT tax:

- A \$1,000 threshold allows that the first \$1,000 in profit from an unrelated business will not be taxed.
- If the fundraiser (or unrelated business) is run by volunteer efforts (i.e., no paid staff) then the proceeds are not taxed.
- If the fundraiser is not regularly carried on, such as a once-a-year spaghetti supper, then the proceeds are not subject to UBIT.
- If you are selling donated items, like in a garage sale, the income raised is not taxed.

The rules regarding UBIT are complex. You can read more about UBIT in IRS Publication 598 Tax on Unrelated Business Income of Exempt Organizations (<http://www.irs.gov/pub/irs-pdf/p598.pdf>).

Your state may have reporting requirements if you are representing yourself to the public as a nonprofit organization. In my home state of Ohio, groups that do public fund raising must file a Charity Registration form. One year, my co-op sold candles door to door and had to file a seven-page financial report with Ohio’s Attorney General Office. That report was such a nuisance (and the fundraiser was so much work) that we no longer do sales to the public. Investigate what your state requires from groups that hold fundraisers. This website has nonprofit reporting requirements by state: <http://www.hurwitasociates.com/>.

### **Other Ideas**

A homeschool group in Ohio was paid \$1,000 for cleaning a fairground. This was not really a fundraiser. It was work for hire, but because the workers were all volunteers and the money went to the homeschool group, no one claimed it as income or paid taxes on it. I wouldn't say their labor was *easy*, but they raised a significant amount of money in a single day.

A Texas homeschool group sponsored a group garage sale. Families brought donated items to sell and volunteered their time during the sale. Also consider hosting a homeschool curriculum sale Your organization could charge a small fee to the buyers and sellers and allow the sellers to keep their own sale proceeds.

For more ideas visit [www.FundraisingMom.com](http://www.FundraisingMom.com) , Suzanne Woluk's website. She has a lot of experience with different fundraisers and specializes in fundraisers your group can do over the internet.

Raising money for your homeschool group may never be effortless, but these ideas have been tried and tested by several homeschool groups and found to be quite easy! They take minimal time, organization and energy. After all, you have better things to do with your time—like homeschooling. I wish you the best of success in your fund raising efforts!

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