



Building success beyond the classroom

Support Organizations: An Extension of the School

Booster clubs and parent teacher organizations/associations are separate entities from the school district. As such, they have their own governing board, establish their own policies and maintain their own set of accounting records. Each one also must have its own checking account along with a separate federal tax identification number. These organizations are generally formed as nonprofit entities and therefore must follow federal and state tax regulations. These organizations **MUST NOT** take advantage of or use the tax identification number of the district. If tax exempt status is desired, they must obtain such status individually with the appropriate taxing authority.

These valuable organizations provide a needed source of financial support for school activities. Without them, the district's schools would not be able to provide many of the opportunities that students enjoy through the programs supported by these organizations. However, a separation between these organizations and the school district must be maintained so that third parties are not misled into believing that an organization is part of the school district. This protects both parties in case of litigation. It is imperative that strict and proper accounting practices are followed in order to ensure this separation.

School support organizations are organized for the purpose of supporting schools or specific school programs within a school. The relationship with the school must never be forgotten. The mission, vision, and goals of the support organization must mesh with those of the school. For this reason, the support organization's officers and board must work closely with the school principal to establish an atmosphere of cooperation and confidence to ensure that the programs operate smoothly within the school's and district's policies.

Establishing the School Support Organization

- Follow the SDPC Policies and Administrative Rules regarding support organizations and fundraising.
- Prepare bylaws.
- File a current copy of bylaws with the chief building administrator.
- Incorporate as a nonprofit organization.
- Obtain the 501(c)(3) designation.

Key Committees and Officers

■ Executive Committee

President
Vice-President
Secretary
Treasurer

■ Audit Committee

An audit of the organization's financial records shall be conducted annually by individuals who are independent from day-to-day financial activities and should not be part of the executive committee.

Funds Management

A major initiative of most school support organizations is fundraising for school programs the organization represents. Guidelines are offered to serve to ensure funds are handled properly and therefore are available for the greatest benefit to students. District employees shall not serve in a financial capacity of a booster or other parent organization.

- Key officers should be bonded.
 - The *Treasurer's Report* should be provided monthly to the membership.
 - Cash receipt procedures should be followed explicitly.
 - Disbursements procedures should be followed explicitly.
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Fundraising

Clear distinctions should be made to separate the responsibilities of the support organization from the responsibilities of the school. School support organizations are very closely tied to the school district and the school, but they operate independently from the school and district, subject only to the district's policies that provide for their formation and their relationship with the school and district. This same relationship gives guidance to fundraising activities conducted by support organizations.

■ Fundraising Guidelines

Final approval of all activities of the school's support organizations rests with the school principal. Fundraising activities must not conflict with the instructional programs of the school.

Policies KBE and KBE-R require that the organization inform the school principal of all fundraising activities.

■ Solicitations

Procedures must be in place to ensure that all money donated ultimately gets to the support organization.

Fiscal Year End Obligations

- Prepare a budget of anticipated expenditures and receipts for the new fiscal year prior to July 1st.
 - An annual audit shall be performed by the audit committee and completed prior to July 31st.
 - Prior to July 31st and upon completion of the audit, the audit committee shall provide a report to the school principal and to the general membership of the organization.
 - Year end financial reports shall be provided to the school principal and to the SDPC Executive Director of Financial Services prior to July 31st. The audit committee must validate that the financial reports (balance sheet and revenue/expenditure statement) are an "accurate portrayal of the support organization's financial status." The audit committee must sign and date the financial reports to certify "that they had no financial duties and therefore can be independent in their judgment."
 - File federal and state tax forms as required.
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