

School District of Pickens County  
Financial Services

1348 Griffin Mill Road  
Easley, South Carolina 29640

[www.pickens.k12.sc.us](http://www.pickens.k12.sc.us)



Building success beyond the classroom

# SUPPORT ORGANIZATIONS GUIDE

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## Forward

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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 their own checking account along with a separate federal tax identification number. These organizations are generally formed as non-profit 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 the 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 insure this separation.

While every effort has been made to deliver timely and accurate information and data, we realize that the federal and state government requirements, forms, and fees change over time. Please use this guide as a model. Extensive research was done in order to provide forms and information. However, the support organization should always ensure that the information used in decision making and setup is the most up-to-date information available. Websites and contact information have been provided to ensure that the organization is complying with the most recent updates to federal and state requirements. Persons interested in organizing should also solicit counsel from appropriate state and federal agencies and/or a tax/business advisor. The district provides this guide as a service. The responsibility to ensure up-to-date information lies with the support organization itself.

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## Setting Up the School Support Organization

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Before a school support organization is organized, much thought must be given to the purpose and need. Solid planning up-front will ensure a strong organization that will benefit the school and its students for many years to come. Contrarily, a poorly planned or unorganized organization likely will not function and perform well, serving little value for the school and its students, and while unintentional, could impede the educational programs of the school.

- **School District of Pickens County's Policies and Administrative Rules Regarding Support Organizations and Fundraising**
  - Policy GAI - Solicitations
  - Policy LEB/LEC - Parent/Booster Organizations
  - Policy JKA/JKB - Solicitations of Students/Solicitations by Students
  - Policy KEBA/KEBB - Solicitations of Students/Solicitations by Students
  - Administrative Rule - Support Organizations

(Please review district policies and administrative rules later in this publication)

- **Preparing Bylaws**

Support organizations such as booster clubs and parent teacher organizations may organize as provided by policy LEB/LEC and the accompanying administrative rule. In order for a support organization, such as a parent teacher or booster club, to function efficiently and effectively, the organization should be governed by rules known as bylaws. A good set of bylaws allows the organization to focus and work, without governance concerns, on projects and other activities that will benefit students.

A current copy of the bylaws of all district school support organizations should be filed with the chief building administrator and re-filed with the chief building administrator each time the bylaws are amended. Bylaws should contain at a minimum the information included in the sample articles contained in this guide. For a model copy of bylaws that can be used as a tool, please refer to the Bylaws Section of this Guide.

- **Incorporation as a Nonprofit**

A nonprofit organization is almost always an entity that has been organized under the nonprofit corporation act of the state's statutes.

In order to open a bank account and to ensure that appropriate donations to the organization are income tax deductible for those who make the donations, *Articles of Incorporation* should be filed with the Office of The Secretary of State. The cost for filing *Articles of Incorporation* with the state is approximately \$25. At the same time an *Application to Reserve a Nonprofit Corporate* name should be filed. The cost of filing this document is approximately \$10. Web site for forms: [www.scsos.com](http://www.scsos.com).

Once incorporated, the organization can then file Form SS4 (available from the IRS) to receive an Employer Identification Number (EIN or commonly called a TIN) for the newly incorporated nonprofit organization. This number will be necessary to open a bank account for the organization. The organization can not use the district EIN. All receipts and disbursements should be handled through this account to keep all funds separate from individual or personal accounts.

Some support organizations that anticipate receiving donations totaling less than \$5,000 per year may stop at this point. However, support organizations that anticipate receiving donations totaling in excess of \$5,000 should consider filing for a 501(c)(3) designation or one of the other appropriate 501 designations. The advantage of the 501(c)(3) designation is that generally contributions to the organization are tax deductible.

For organizations that desire to file with the IRS for the 501(c)(3) exemption, the standard form provided by the state may not include all the provisions that the IRS is looking for in the Articles. As a result, many organizations that are not familiar with the 501(c)(3) process may make a mistake. Other provisions, having to do with certain limitations and restrictions on activities, must be in the Articles as filed with the Secretary of State for the IRS to approve the application. If the original Articles did not include these provisions, they must be amended or restated and re-filed with the Secretary of State before being submitted with Form 1023 to the IRS. This re-filing delays the process and costs additional money. Therefore, the organization is best served to write its bylaws and *Articles of Incorporations* to be compatible with the 501(c)(3) designation.

- **Why and How to Obtain the 501(c)(3) Designation**

The 501(c)(3) designation is used by the Internal Revenue Service to identify organizations that are charitable organizations organized for purposes of religion, education, science, literacy, etc. Charitable organizations with the 501(c)(3) designation are exempt from paying income tax as a nonprofit organization and qualify to receive donations that can be claimed as a tax deduction on the donor's federal and state income tax return.

To be organized exclusively for charitable purposes, the organization must be a corporation, community chest fund, or foundation. The *Articles of Incorporation* must limit the organization's purpose to one or more of the exempt purposes set forth in the 501(c)(3) and must not empower the organization in activities that are not in furtherance of one or more of those charitable purposes. These purposes will be met if the purposes stated in the articles of organization are limited to reference only the purposes included in the 501(c)(3). In addition, assets of the organization must be permanently dedicated to an exempt purpose. This means that if the organization dissolves, its assets must be distributed for an exempt purpose, or must be given to the federal government or to a state or local government for a public purpose.

The preparation of IRS Form 1023 begins the application process for a 501(c)(3) designation. Approval of the application by the IRS may take up to six months or more. Once the application is approved, the organization will receive an "advanced determination letter" stating that the organization is tax exempt and recognized by the IRS. This letter should be kept in a safe, permanent place as it will be used time and again to prove the organization's exempt status. A copy of this letter should be given to the school principal and to the district's internal auditor.

Because the process of filing to qualify as a 501(c)(3) organization is a rather technical process, the organization should seek the services of an attorney or accountant who is familiar with the process.

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## Support Organizations: An Extension of the School

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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.

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## Key Officers & Committees

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- **President**

Typically, the president of an organization is an individual who has previously been active in the organization. The major duties include, but are not limited to, the following:

  - Preside at all meetings of the organization;
  - Regularly meet with the designated campus representative regarding booster activities;
  - Regularly meet with the treasurer of the organization to review the organization's financial position;
  - Have bank statement addressed to him/her and should open, review, initial, and date the statement prior to giving it to the treasurer;
  - Schedule annual audit of records or request an audit if the need should arise during the year;
  - Perform any other specific duties as outlined in the bylaws of the organization.
  
- **Vice-President**

The vice-president acts as the president's representative in his/her absence. They must remain familiar with the organization. The major duties include, but are not limited to, the following:

  - Preside at meetings in the absence or inability of the president to serve;

- Perform administrative functions delegated by the president;
- Perform other specific duties as outlined in the bylaws of the organization.

Note: Larger booster organizations may find it necessary to elect several vice presidents with responsibility over differing areas. Such positions shall be clearly defined in the bylaws of the organization.

- **Secretary**

The secretary is responsible for keeping accurate records of the proceedings of the association and reporting to the membership. The secretary must ensure the accuracy of the minutes of the meetings, and have a thorough knowledge of the organization's bylaws. The major duties include, but are not limited to, the following:

- Maintain the records of the minutes, approved bylaws and any standing committee rules, current membership and committee listing;
- Record all business transacted at each meeting of the association as well as meetings of any executive board meetings in a prescribed format;
- Maintain records of attendance of each member;
- Conduct and report on all correspondence on behalf of the organization;
- Other specific duties as outlined in the bylaws of the organization.

- **Treasurer**

The treasurer is the authorized custodian of the funds of the association. The treasurer receives and disburses all monies indicated in the budget and prescribed in the local bylaws or as authorized by action of the association. All persons authorized to handle funds of the association should be covered by a fidelity bond in an amount based upon the organization's annual income and determined by the executive board. The major duties include, but are not limited to, the following:

- Issue a receipt for all monies received and deposit said amounts on a daily basis;
- Present a current financial report including bank statements, bank reconciliations, and financial statements to the executive committee within thirty days of the previous month end;
- File current financial reports at the end of each semester (December and June) with the school principal and at yearend (June) with the Executive Director of Financial Services;
- Maintain an accurate and detailed account of all monies received and disbursed;
- Reconcile all bank statements as received within 30 days and resolve any discrepancies with the bank immediately;
- File sales tax reports as required by the comptroller's office (monthly, quarterly, or annually);
- File annual federal and state tax forms as required in a timely manner;
- Submit records to audit committee appointed by the organization upon request or at the end of the fiscal year;
- Prepare a budget of anticipated expenditures and receipts for the new fiscal year prior to July 1<sup>st</sup>.
- Other specific duties as outlined in the bylaws of the organization.

Note: Due to the increasing requirements placed on charitable organizations by the Internal Revenue Service, it is strongly recommended that the Treasurer have an accounting background.

- **AUDIT COMMITTEE**

At the end of the fiscal year (June 30<sup>th</sup>), an audit of the organization's financial records should be conducted prior to July 31<sup>st</sup>. The audit should be performed by individuals who are independent from day-to-day financial activities and should not be part of the executive committee. Ideally, this audit should be performed by a group of three individuals; however, if the membership size does not allow, the audit may be performed by two individuals. The primary objectives of the audit are to:

- Verify the accuracy of the Treasurer's financial reports;

- Ensure that the organization’s cash balances are accurate;
- Determine that established procedures for handling funds have been followed;
- Ensure that expenditures occurred in a manner consistent with the organization’s bylaws and in accordance with the approved budget;
- Ensure that all revenues have been appropriately received and recorded.

The audit committee shall make a report to the school principal and the general membership of the organization upon completion of the audit (prior to July 31<sup>st</sup>). Any discrepancies noted during the audit shall be brought to the attention of the executive committee of the organization and a resolution reached prior to presentation. All officers of the organization shall make records available as requested by the committee. Suggested audit procedures are included later in this publication.

Year end financial reports (June 30<sup>th</sup>) shall be provided to the school principal and the SDPC Executive Director of Financial Services prior to July 31<sup>st</sup>. 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.” Examples of year end financial reports are included later in this publication.

## Funds Management

A major initiative of most school support organizations is fundraising for school programs the organization represents. The following 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. Financial capacity includes holding positions of treasurer, fundraising chairperson, or serving as a check signer.

- **Key Officers Need to be Bonded**

In most support organizations the president and treasurer have primary responsibility for financial matters. Most often the treasurer and president will have signature authority to write checks against the organization’s checking account. The support organization should require 2 signatures on each check. All individuals that have signature approval on the organization’s bank account are liable for the use or misuse of those funds.

As parents with children in school together, we tend to place more trust in each other than we should. These feelings of closeness and common interest should not cause the organization to neglect protecting those in the organization who are responsible for the money.

To bond those responsible for the organization’s money is simply a matter of purchasing an insurance policy to cover them and the organization in the event something happens to the organization’s money. An insurance agency can give advice on the amount of coverage needed and who should be covered.

- **The Treasurer’s Report**

The treasurer is the authorized officer responsible for the organization’s money. Disbursements and receipts of all funds should be handled according to the organization’s bylaws or as authorized by action of the organization.

At a minimum, the organization's membership should be provided with a financial statement and bank reconciliation monthly. The bank reconciliation should be completed within 30 days of the date of the bank statement. The financial statement should provide a comparison of budgeted versus actual expenditures and receipts. Cash receipts and disbursement reports should be available for review when needed or at the annual audit. The organization's officers should also receive a copy of the bank statement at each meeting as supporting documentation for the bank reconciliation.

- **Cash Receipt Procedures**

All cash collections received by the organization for fees, dues, fundraising, etc. must be deposited upon receipt on the same day as the collection. All funds must be deposited prior to holidays and weekends. All funds must be supported by some type of record, documenting the source and amount of funds (tabulation of monies collected form, cash receipt form, ticket sales record, etc.). Such documentation shall be readily available for audit purposes.

Funds collected should always be deposited daily into the authorized bank account of the organization. Funds should never be commingled with personal funds or school funds.

The organization should provide the treasurer with pre-numbered receipts for financial record keeping. The pre-numbered receipts ensure that all receipts are accounted for and that all deposits can be documented with a receipt. No amount of money is too small to be exempted from a receipt, since to do so would cause the file of receipts to be out of balance with the money deposited.

Occasionally, other members may be called upon to handle money such as dues from membership drives or returns from fundraising. These members should be encouraged to use receipts for their collections also. However, the treasurer's pre-numbered receipts should be reserved only for the treasurer's use.

Money collected and receipted should always be turned over to the treasurer and deposited into the organization's bank account on the same day as collection. As a matter of practice, money should never be stored at the school or in the homes of members. Instead, the organization should use the bank's night deposit box.

Bank deposits should be prepared as follows to ensure the integrity of the financial reporting:

- The treasurer along with another individual should count and verify the amount to be deposited. Both individuals should sign the supporting documentation (tabulation of monies collection form, cash receipt form, ticket sales record, etc.) verifying the source and the amount collected;
- Both individuals should initial the deposit slip;
- The deposit should be sealed in a deposit bag in the presence of the second individual. This is called dual control and places the organization in a better position to challenge any claim that the bank may make that the currency received was not correct.

- **Disbursements**

A budget of anticipated expenditures should be developed before the beginning of the fiscal year. Prior to a disbursement, the request to expend funds should be compared with the budgeted expenditures. Disbursements outside the scope of the budget or line items that exceed the approved budget should require a vote by the general membership.

Just as receipts are the documentation for all funds received into the organization's account, invoices are the documentation for the disbursement of funds. With this idea in mind, all funds expended should be by check and have an original invoice filed as documentation for the check written. The original invoice should be

marked with the date it was paid, the number of the check written to pay it, and a signature of approval for the payment to be made. Under no circumstances should a check ever be written without an invoice to substantiate the payment. A designated officer, other than the treasurer, should initial or sign each invoice as approval for payment.

Checks should be endorsed by at least two members of the organization. A blank check should never be signed. School district employees can and many times are members of these organizations. District employees shall not serve in a financial capacity of the organization. The organization's checkbook must not be housed on school district property nor should it be in the possession of a school staff member. This procedure is to insure a strict separation of the school district and the organization.

The organization must follow the guidelines of the Internal Revenue Service for all payments for services in excess of \$600.00 made to an individual and file any necessary 1099 tax forms on an annual basis. The organization should secure an IRS form W-9 from the provider at the time of service to ensure that the organization has an accurate record of the tax payer identification number.

Support organizations are valuable to the schools of SDPC. The schools would not be able to provide many opportunities that our students enjoy and appreciate through the programs supported by these organizations. As such, any non-monetary gifts donated to the schools will become property of SDPC and placed appropriately on the district's fixed assets. Donated or purchased used equipment meeting the definition of a capital asset or inventory item must be included in the district's property records. All equipment and/or fixed assets donated by support organizations must be reported to Financial Services within 30 days of donation.

- **Payments to Individuals**

Support organizations must be very careful not to violate state and federal tax regulations when payments to individuals are involved. Reimbursements for purchases individuals have made for the organization are OK and should be documented by filing the receipts as invoices for the reimbursement. Individual travel can be treated the same way.

However, payments for services rendered or for work contributed to the organization must be treated differently. This is especially true if the person who is to receive the pay is employed by the school district. **As a general rule, support organizations should never make a payment directly to a district employee for services rendered or for work completed for the organization.** District employees who work with a school support organization are considered by IRS regulations to be working for the district, and therefore, the district should pay them. The support organization can pay the school employee by making the payment to the district to be included in the employee's pay.

If the organization should hire its own employees (non-district employees), the organization is responsible for the filing of the applicable W-2 tax forms.

- **Records Retention**

After the audit committee has reviewed the financial records of the organization, the financial records should be retained for future use. The school district follows the guidelines provided by the Archives and Records Management Division of the South Carolina Department of Archives and History. General records retention schedules for school districts can be viewed at <http://arm.scdah.sc.gov/general/> to assist the organization in formulating a retention schedule.

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## Fundraising

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School support organizations typically include fundraising as an integral part of their program of activities. Yet, in fundraising activities as well as in other activities, 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**

Every activity of a school support organization has a direct impact upon and is identified with the school it supports. The school principal, by the very nature of his/her job, has the general responsibility for all activities of the school, including those of the school's support organizations. Therefore, 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.

Per administrative rule LEB-R/LEC-R, the organization must inform the school principal of all fundraising activities. The information must include the dates of the activity, the type of activity, the supplier of sales items or activity including contract information, use of the money raised, and how the funds will benefit the school. The school principal must be informed prior to the beginning of the fundraising activity to ensure that the activities meet his/her approval.

Please refer to district policy and administrative rules regarding fundraisers for specific details.

A few suggestions for fundraisers are listed below:

- A good rule is to strongly consider fundraising activities that generate at least a 50% profit.
- If the fundraiser requires that a contract be signed, make sure the contract is signed with the incorporated organization's name and by one or more of the officers.
- Develop a plan for how the product and money is to be handled. Fundraisers where the money is collected first, orders are taken, and the products are delivered later, tend to work best. Bad checks and lost products are less of a problem.
- Support organizations should always refer to district policy when door-to-door sales are considered as a possible source of revenue.

- **Solicitations**

Solicitations are used most often to seek support funds from businesses and/or individuals in the community. Examples of such solicitations are ads for booster programs, discounts for products sold by businesses, and cash donations. In fact, many parents and/or businesses may prefer to make cash donations.

Cash donations eliminate the need to purchase items that may not be wanted and also ensure that all of the donations go to the organization. However, procedures must be in place to ensure that all money donated ultimately gets to the support organization. For this reason, cash should never be accepted unless it can be receipted at the same time it is donated. The best rule of thumb, to protect both parties, is to request that donations in the form of a check be made payable to the support organization.

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## **Federal and State Tax Filing Requirements**

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Support organizations should seek guidance from an attorney, the IRS, the South Carolina Secretary of State, and/or the South Carolina Department of Revenue to ensure compliance with federal and state tax filing requirements. Since tax laws continuously change, the support organizations must ensure that they have the most updated tax information.

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## Fiscal Year End Obligations

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The support organization's fiscal year shall commence on July 1<sup>st</sup> and end on June 30<sup>th</sup>. At the end of each fiscal year, support organizations must complete the following:

- Prepare a budget of anticipated expenditures and receipts for the new fiscal year prior to July 1<sup>st</sup>;
- An annual audit shall be performed by the audit committee and completed prior to July 31<sup>st</sup>;
- Prior to July 31<sup>st</sup> 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. Any discrepancies noted during the audit shall be brought to the attention of the executive committee of the organization and a resolution reached prior to the presentation;
- Year end financial reports shall be provided to the school principal and to the SDPC Executive Director of Financial Services or designee prior to July 31<sup>st</sup>. 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." Examples of the required year end financial reports are included later in this publication;
- File federal and state tax forms as required.

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## Sample Support Organization By-laws

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### ARTICLE I

Name of the organization

### ARTICLE II

#### Section 1

The purpose of the organization

#### Section 2

##### Limitation of Methods

Included is Limitation of Methods and must include a statement that the organization will qualify as a 501(c)(3) organization and shall observe all local, state and federal laws that apply to a non-profit organization as defined in Article 501(c)(3) of the Internal Revenue Code.

### ARTICLE III

#### Section 1

This section should state the eligibility for membership in the organization.

#### Section 2

This section should state the dues, if any, for membership.

#### Section 3

This section should state how dues will be evaluated, the frequency of evaluation, and limitations on increases and or decreases, if any limitations are to be imposed.

## ARTICLE IV: MEETINGS

### Section 1

This section should state when the regular meetings of the organization will be held.

### Section 2

This section should specify when the annual business meeting will be held and how the notice of the meeting will be made to the membership.

### Section 3

This section should designate how special meetings of the membership may be called, by whom, and the number of members who must be present for a valid meeting, and the limitation of business that can be acted upon.

### Section 4

This section should designate who must be present and how many members to constitute a quorum at regular meetings of the organization.

## ARTICLE V: BOARD OF DIRECTORS

### Section 1

This section shall state the governance of the organization and that its work shall be vested in a Board of Directors consisting of a predetermined number of members, the term they shall serve, and the power the Board of Directors shall have.

### Section 2

This section should state how the election of directors shall be conducted and the deadline for the election.

### Section 3

This section should state how a nominating committee shall be appointed and when nominations must be filed with the president.

### Section 4

This section should outline the voting process, providing for written ballots, and for write-in ballots.

### Section 5

This section should set forth the consequence of board members who miss meetings and the method by which vacancies caused by this action must be filled.

### Section 6

This section should set forth the method by which a majority vote of the membership, with the approval of the Board of Directors, can amend the bylaws.

## ARTICLE VI: OFFICERS

### Section 1

This section should set for the officers of the organization and when they will begin serving after their election.

### Section 2

This section should set forth the duties and responsibilities of the president of the organization.

### Section 3

This section should set forth the duties and responsibilities of the vice-president of the organization.

### Section 4

This section should set forth the duties and responsibilities of the secretary of the organization.

### Section 5

This section should set forth the duties and responsibilities of the treasurer of the organization. The treasurer and/or the president shall receive and disburse all funds of the organization. Disbursements shall be made as authorized and ordered by the Board of Directors. The treasurer and/or the president shall make a report to the board monthly. The treasurer and the president, and such other officers and organization staff as the board may designate, shall give acceptable bond in such sum as the board may determine for the faithful performance of duties, and the premium for such bond shall be an expense of the organization.

### Section 6

This section sets forth the terms of office for all officers and directors.

## ARTICLE VII: COMMITTEES

### Section 1

There shall be an executive committee, a finance committee and any such other committees as the Board of Directors may authorize from time to time.

### Section 2

The president shall appoint all committees, subject to confirmation by the Board of Directors.

### Section 3

#### Finance committee

The finance committee shall be composed of the treasurer, president, vice-president, and at least one additional member, who shall be a member of the Board of Directors, appointed by the chair. The treasurer shall chair this committee.

The finance committee shall also cause the books and accounts of the organization to be audited annually by an audit committee or an outside auditor and file a complete financial report with the school principal and the SDPC Executive Director of Financial Services.

## ARTICLE VIII: FISCAL YEAR

### Section 1

The fiscal year shall commence on the first day of July and end on the 30<sup>th</sup> day of June.

## ARTICLE IX: PARLIAMENTARY PROCEDURE

### Section 1

All questions of parliamentary procedures shall be determined according to the latest edition of Robert's Rules of Order.

## ARTICLE X: DISSOLUTION

In the event the organization is dissolved, all assets of the organization shall be distributed to the school the organization was formed to support for an exempt purpose according to the *Articles of Incorporation* as a 501 (c)(3) organization. In the event that the school also is being dissolved, then the assets will be given under the same 501 (c)(3) requirements to another public school in the district or to the public school district. Under no

circumstances should the funds be distributed or used for any purpose that does not comply with all requirements of a 501 (c)(3) organization.

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## Support Organization Forms Listing

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Below are various forms that may be necessary for your organization. Federal forms may be accessed on the IRS website at <http://www.irs.gov>. State forms are available on the SC Secretary of State website at <http://www.scsos.com>.

- **Federal Forms**

- SS-4 Application for Employer Identification Number
- 1023 Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code
- 8718 Fee for Exempt Organization Determination Letter Request
- 990/990EZ/990N Return of Organization Exempt from Income Tax
- 990 SCH A Organization Exempt under Section 501(c)(3)
- 990 SCH B Schedule of Contributors

- **State Forms**

- Application to Reserve a Nonprofit Corporate Name
- Nonprofit Corporation Articles of Incorporation
- Annual Financial Report for Charitable Organizations
- Charitable Solicitation Questionnaire
- Articles of Incorporation \$25.00
- Articles of Amendment \$10.00
- Articles of Correction \$10.00
- Notice of Change of Principle Office \$10.00
- Notification by Existing Corporation \$10.00
- Articles of Dissolution \$10.00
- Articles of Merger \$10.00
- Application for Certificate of Authority (Foreign) \$10.00
- Application for Reinstatement \$25.00
- Application to Withdraw Certificate of Authority By a Foreign Corporation \$10.00
- Application for Amended Certificate of Authority \$10.00
- Homeowners Associations & Political Associations \$50.00 and CL-1 form

Note: This listing of forms may not include all necessary forms for your organization. Organizations should seek guidance from an attorney, the IRS, the SC Secretary of State, and/or the SC Department of Revenue for compliance and ensure that they have the most updated information.

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## Support Organization – Suggested Audit Program

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- **Bank Reconciliations**

1. Trace ending balances on the reconciliations to bank statements, outstanding check lists, and other reconciling items.

2. Verify that bank reconciliations were completed within 30 days of bank statement ending date.
  3. Ensure that any outstanding or reconciling items on the reconciliations were cleared the following month.
  4. Verify that the balance in the bank account (at beginning of school year), plus total deposits per check register, minus total disbursements per check register, balances to ending bank account balance (at end of school year).
- **Bank Statements**
    1. Determine whether a procedure is in place for a club member, other than those that have check signing ability, to receive bank statements by mail and review for reasonableness.
    2. Determine whether any cash corrections were identified on bank statements. Ensure that reasonable explanations are available.
    3. Compare the number of cleared checks included in the bank statement with the number that is noted on the bank statement to ensure agreement.
    4. Ensure that cleared checks contain signatures of individuals authorized to sign checks. Ideally, bank accounts should be established to require two signatures.
  - **Receipts**
    1. From the check register or other accounting records, schedule each deposit (use of spreadsheets is helpful). If volume is significant, consider selecting only a representative sample.
    2. Trace deposits to collection documentation and prepared cash receipts for agreement.
    3. Trace deposits to bank statements to ensure agreement.
    4. Ensure that receipts are presented for deposit in a timely manner by reviewing the dates of prepared cash receipts with the date of deposit on the bank statement.
  - **Disbursements**
    1. From the check register or other accounting records, schedule each check, withdrawal, or other debit (use of spreadsheets is helpful). If volume is significant, consider selecting only a representative sample.
    2. Trace checks to supporting documentation such as invoices, receipts, approved expenses related to fundraisers, or other reasonable explanations.
    3. Review the canceled check to ensure agreement of payee name, endorsement, and check amount.
    4. Trace disbursements to budget approved by the membership or meeting minutes.
    5. For bank withdrawals for the purpose of establishing a change fund for an event, confirm that the change fund was later re-deposited.
  - **Fundraisers**
    1. Evaluate each fundraiser individually by calculating the value of items available for sale or number of tickets sold, and comparing to deposits and remaining inventory, if any, to ensure agreement.
    2. Determine whether fundraiser applications were prepared and submitted to the campus principal for each fundraiser.
  - **Miscellaneous**
    1. Inventory remaining check stock to confirm that all checks are present and sequential. Ensure that the check number for the last check issued and first check available in check stock are sequential.
    2. Confirm that check stock is retained in a secure place when not in use.
    3. Determine whether any checks were voided during the course of the year. Ensure that any voided checks are retained in the records, but have been sufficiently modified to eliminate the possibility of clearing the bank (i.e. signature portion has been cut out of the check and VOID has been written across the check).
    4. Ensure that sales tax reports were prepared and filed timely.
    5. Review annual federal and state tax forms for reasonableness.

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# School District of Pickens County Policies

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## Policy GAI Solicitations

Issued 4/04

Purpose: To protect instructional time and teacher preparation time from solicitation activities.

Solicitation in any school during instructional time is prohibited. Solicitation of employees outside of an approved activity during their normal workday is prohibited.

There will be no solicitations or fundraising campaigns in any school for school-sponsored or support organization fundraising without the approval of the chief building administrator.

Adopted 8/25/75; Revised 8/23/76, 1/14/91, 9/23/02, 4/26/04

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## Policy LEB/LEC Parent/Booster Organizations

Issued 4/04

Purpose: To establish the basic structure for the formation and operation of parent and/or community support organizations.

State law delegates to local school district boards of trustees the responsibility of representing the public in the operation of the district's public schools. In order to accommodate citizens who have specific positive interests in providing additional support for selected school activities, the board envisions and authorizes the formation of cooperative parent and/or community school groups that give promise of promoting legitimate and systematic participation that fosters the selected school activities. Among these are booster clubs, parent-teacher organizations, business-school partnerships and education foundations. The board believes that for a successful school-parent and/or community organization to exist, the propelling and compelling impetus for such an organization must be a spirit of altruism, cooperation and supportive action rather than discord, confrontation and usurpation of legitimate board and administrative prerogatives.

Based on this philosophy, the board authorizes the administration to establish regulations and procedures that will provide for an orderly and systematic operation of such groups.

Adopted 4/26/04

Legal references:

S.C. Code, 1976, as amended.

Section 59-10-10 - District to be managed by Board of Trustees

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## Administrative Rule LEB-R/LEC-R Parent/Booster Organizations

Issued 11/04

A school-parent and/or community organization must, prior to its formation, establish in writing its purposes, goals and procedures. These documents must be filed with the chief building administrator of the school involved at least two calendar months prior to the potential official formation of the group. These points will be analyzed, evaluated



and must be jointly agreed upon by the school administration and the official spokesperson for the group wishing to form.

The organization must meet the following criteria:

- A constitution jointly prepared by the authorized citizen spokesperson and the appropriate school official, and any other participants authorized by the official and the spokesperson, will be presented to the chief building administrator of the school for approval.
- A support organization may exist for two or more schools provided that its operation is approved by the chief building administrator of each school.
- All procedures, objectives and activities must conform with local district policies, rules and regulations as well as rules and regulations of the South Carolina High School League, the South Carolina State Department of Education, the South Carolina State Board of Education, the Southern Association of Colleges and Schools, state and national parent organizations, and all other appropriate accrediting or supervising agencies at every level of operation. The chief building administrator of the school is responsible for informing the support organization membership of these regulations.
- Support groups or individual members of support groups may not present large or expensive gifts or other emolument to employed personnel under auspices or guise. Moreover, acceptance of such by employed personnel (under any guise) is not permitted.
- Support organizations must inform the chief building administrator of the school of all fundraising activities. The information must include dates of the activity, type of activity, the supplier of sales items or activity including contact information, use of the money raised and how the funds will benefit the school. The chief building administrator must be informed prior to the beginning of the fundraising activity to ensure that the activities meet his/her approval.
- The administration periodically will evaluate the productivity and impact of support organizations operating within the district.

### Fundraising

Support organizations will keep fundraising campaigns to a minimum so as not to impair the efficiency and effectiveness of the education program. In addition, support organizations may undertake such campaigns only under the following circumstances.

- No support organization may solicit monetary contributions from students at any time.
  - All fundraising projects conducted by support organizations will have an educational or community service objective and must be approved by the chief building administrator of the school.
  - Students in pre-kindergarten through the eighth grade will not participate in support organization fundraising activities that involve selling items or soliciting contributions, pledges or orders door-to-door. However, schools may use these students as couriers between school and home for information, order blanks and materials about support organization fundraising activities.
  - Students in grades 9 - 12 may not participate in support organization fundraising activities during school hours without the express approval of the chief building administrator at the school. Students in pre-kindergarten through the eighth grade cannot participate in support organization fundraising activities during school hours other than the situations listed in the previous bullet.
  - No support organization may sell, distribute or advertise services, written materials or items from private sources on school premises or in the school or school district without the permission of the chief building administrator of the school.
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## Policy JKA/JKB Solicitations of Students/Solicitations by Students

Issued 4/04

Purpose: To clarify procedures for fundraising and solicitations of students and by students.

### Fundraising

Fundraising efforts will be authorized under conditions that do not conflict with the instructional programs. Fundraising refers to the raising of non-appropriated money for the educational benefit of students and their schools.

### Solicitations

The board recognizes that the school district, schools and students do not operate in isolation from the community. However, the board accepts its responsibility to prevent the exploitation of students and the unwarranted and unnecessary interruptions of the operation of the schools.

Solicitation in any school during instructional time is prohibited.

All schools will earnestly seek to educate students in service learning and charitable projects performed by humanitarian agencies and will encourage students to participate in their financial support as a social or community project. Projects of this nature should be limited and must have the approval of the chief building administrator.

(Also KEBA/KEBB)

Adopted 10/22/84; Revised 1/9/89, 4/22/91, 11/23/92, 4/26/04

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## Policy KEBA/KEBB Solicitations of Students/Solicitations by Students

Issued 4/04

Purpose: To clarify procedures for fundraising and solicitations of students and by students.

### Fundraising

Fundraising efforts will be authorized under conditions that do not conflict with the instructional programs. Fundraising refers to the raising of non-appropriated money for the educational benefit of students and their schools.

### Solicitations

The board recognizes that the school district, schools and students do not operate in isolation from the community. However, the board accepts its responsibility to prevent the exploitation of students and the unwarranted and unnecessary interruptions of the operation of the schools.

Solicitation in any school during instructional time is prohibited.

All schools will earnestly seek to educate students in service learning and charitable projects performed by humanitarian agencies and will encourage students to participate in their financial support as a social or community project. Projects of this nature should be limited and must have the approval of the chief building administrator.

(Also JKA/JKB)

Adopted 10/22/84; Revised 1/9/89, 4/22/91, 11/23/92, 4/26/04

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# Forms

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## The School District of Pickens County Fund Raising Activity Request

School Name: \_\_\_\_\_

Club/Organization Name: \_\_\_\_\_

Sponsor Name, Address, Phone: \_\_\_\_\_

Date(s) of Activity: \_\_\_\_\_

Project Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Time and Place: \_\_\_\_\_

Vendor Name & Contact Info: \_\_\_\_\_

\_\_\_\_\_

Will this fundraiser use a Smart Snacks Exemption? Yes  No

If yes, was the fundraiser logged on the Smart Snacks Annual School-Based Exempt Fundraiser Summary Report? Yes  No

Was a Smart Snacks Individual Exempt Fundraiser Checklist turned in at the school? Yes  No

Is this fundraiser taxable? Yes  No

If yes, in which filing period will it be reported? \_\_\_\_\_

<u>Item Description</u>	<u>Selling Price</u> <u>Per Item</u>	<u>Purchase Cost</u> <u>Per Item</u>	<u>Quantity</u>
_____	\$ -	\$ -	
_____	\$ -	\$ -	
_____	\$ -	\$ -	
_____	\$ -	\$ -	

Estimated Profits \$ \_\_\_\_\_ -

Profits to be used for: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

It is understood that the fund raiser will be conducted in accordance with District Policies and Procedures and that the Principal's signature certifies approval of the event and how profits generated will be spent for the school.

Sponsor Signature \_\_\_\_\_

*Name* *Date*

**Reviewed and Approved**

Principal Signature \_\_\_\_\_

*Name* *Date*



## School District of Pickens County Fund Raising Activity Summary

School Name \_\_\_\_\_  
 Club/Organization Name \_\_\_\_\_  
 Sponsor Name, Address, Phone \_\_\_\_\_  
 Date \_\_\_\_\_

Project Description \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Vendor Name & Contact Info \_\_\_\_\_

Date of Activity From \_\_\_\_\_  
 To \_\_\_\_\_

<u>Item Description</u>	<u>Quantity Purchased</u>	<u>Cost Per Item</u>	<u>Total Purchase Cost</u>	<u>Quantity Sold</u>	<u>Unit Price</u>	<u>Proceeds</u>
		\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -		\$ -	\$ -

<b>Number of Unsold Items</b> _____	<b>What disposition is planned for these items?</b>
<b>Total Proceeds</b> \$ -	
<b>Total Cost</b> \$ -	
<b>Profit</b> \$ -	

I certify that this report is correct to the best of my knowledge and that District Policies and Procedures were followed in the conduct of this fund raiser.

Sponsor Signature \_\_\_\_\_  
date

**Reviewed and Approved**

Principal Signature \_\_\_\_\_  
date

ABC Elementary School PTO  
Balance Sheet  
June 30, 20XX

Assets

Cash - Checking	-
Cash - Savings	-
Cash - Investments	-
Return Checks Receivable	-
<b>Total Assets</b>	<u>-</u>

Liabilities

Accounts Payable	-
<b>Total Liabilities</b>	<u>-</u>

Equity

Equity	-
<b>Total Equity</b>	<u>-</u>
<b>Total Liabilities and Equity</b>	<u><u>-</u></u>

Audit Committee Validation

This report has been verified as an accurate portrayal of the support organization's financial status.

Signature	Date
Signature	Date
Signature	Date

The above audit committee members signature also certifies that they had no financial duties and therefore can be independent in their judgment.

Proposed Budget Worksheet  
For Fiscal Year \_\_\_\_\_

\*Cash Balance Carried Forward From Prior Year \_\_\_\_\_

Receipts:	Previous Year Budget	Previous Year Actual	New Propsed Budget
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total	_____	_____	_____
Expenditures:			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total	_____	_____	_____
Net Proceeds From Operation	_____	_____	_____
*Projected Cash Balance Carried Forward to Next Year			=====

\*Cash balances include checking and all savings accounts.

## Treasurer's Report

Period Covered: \_\_\_\_\_ Date: \_\_\_\_\_

\*Beginning Cash Balance \_\_\_\_\_

Income:	Budget	Actual	Variance
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total	_____	_____	_____

Expenditures:	Budget	Actual	Variance
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total	_____	_____	_____

Net Proceeds From Operation \_\_\_\_\_

\*Ending Cash Balance \_\_\_\_\_

\*Cash balances include checking and all savings accounts.



## Deposit Acknowledgement Form

Date of Deposit: \_\_\_\_\_

Funds collected by: \_\_\_\_\_

Event/Fundraiser/Activity: \_\_\_\_\_

COIN	AMOUNT	CURRENCY	AMOUNT	CHECKS	AMOUNT
Pennies		\$	1.00		
Nickels		\$	5.00		
Dimes		\$	10.00		
Quarters		\$	20.00		
Half Dollars		\$	50.00		
		\$	100.00		
Total	\$	Total	\$	Total	\$

Deposit Total: \_\_\_\_\_

\_\_\_\_\_  
President's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Treasurer's Signature

\_\_\_\_\_  
Date

Check Reimbursement Request Form

Paid by Check No. \_\_\_\_\_

Date of Check \_\_\_\_\_

Date: \_\_\_\_\_

Amount: \_\_\_\_\_

Pay To: \_\_\_\_\_  
\_\_\_\_\_

*City*

*State*

*Zip*

For: \_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_  
*Person Requesting Check*

Approval: \_\_\_\_\_  
*President*

Approval: \_\_\_\_\_  
*Treasurer*

Attach receipt and/or canceled check here:

## Beginning Cash Box

Date: \_\_\_\_\_

Function: \_\_\_\_\_

Cash Box: \_\_\_\_\_

Coin:

\_\_\_\_\_ x \$0.01 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$0.05 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$0.10 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$0.25 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$0.50 = \$ \_\_\_\_\_

Total Coins \_\_\_\_\_

Currency:

\_\_\_\_\_ x \$1 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$5 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$10 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$20 = \$ \_\_\_\_\_

Total Currency \_\_\_\_\_

Beg. Cash Box Total \_\_\_\_\_

Signatures:

Rec'd By: \_\_\_\_\_

Rec'd By: \_\_\_\_\_

# Event Proceeds

Date: \_\_\_\_\_

Function: \_\_\_\_\_

Coin:

\_\_\_\_\_ x \$0.01 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$0.05 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$0.10 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$0.25 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$0.50 = \$ \_\_\_\_\_

Total Coins \_\_\_\_\_

Currency:

\_\_\_\_\_ x \$1 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$5 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$10 = \$ \_\_\_\_\_

\_\_\_\_\_ x \$20 = \$ \_\_\_\_\_

Total Currency \_\_\_\_\_

Checks \_\_\_\_\_

\*Less Beg. Cash Box \_\_\_\_\_

Net Proceeds \_\_\_\_\_

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\*This amount remains in the cash box until event is completed.



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## Fundraiser Reconciliations

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At the end of each fundraiser, the “Summary of Fundraising Activity” form and a reconciliation form must be completed and sent to the school administration to be reviewed and attached to the “Request for Fundraising Activity” form. Fundraisers can involve ticket, coupon, product, and service sales. Each will require a different reconciliation form be used. Listed below is a brief description of each type of sale and reconciliation necessary.

- **Ticket Sales**

Any time tickets are use, they should be pre-numbered. A record must be kept of all tickets issued and used. Upon completion of the event the ticket sales reconciliation form should be used. See attached.

- **Coupon Sales**

If the coupons or coupon books are sold and are numbered, the ticket sales reconciliation form can be used. If not, the product sales reconciliation form should be used. It is important that a record be kept of how many coupons or coupon books were issued and to whom they were issued to. See attached forms.

- **Product Sales**

Product sales involving a limited number of products should use the product sales reconciliation form. It will be important to count the beginning and ending inventory. For product sales involving many products (concession, bake sales, etc.) the service sales reconciliation form should be used. See attached forms.

- **Service Sales**

Service sales involve providing labor effort only. Examples are car washes, lawn care, waiter services, etc. The service sales reconciliation form should be used in these instances. See attached.

# Ticket Sales Reconciliation Worksheet

Event \_\_\_\_\_ Date \_\_\_\_\_

## Ticket Sales:

Last Number Sold \_\_\_\_\_  
Minus First Number Sold - \_\_\_\_\_  
Difference \_\_\_\_\_  
Add 1 to the Difference + \_\_\_\_\_  
Total Tickets Sold \_\_\_\_\_

## Sales:

Admission Price of Ticket \_\_\_\_\_  
Sales (Tickets Sold x Admission Price) \_\_\_\_\_  
Total Cash Proceeds from Event \_\_\_\_\_  
Variance (Sales minus Cash Proceeds) \_\_\_\_\_

## Reason for Variance

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

# Product Sales Reconciliation Worksheet

Event \_\_\_\_\_ Date \_\_\_\_\_

Inventory:

Beginning Product Inventory (# of Units)		_____
Minus Ending Product Inventory (# of Units)	-	_____
Product Sales (# of Units)		_____
Unit Price	x	_____
Total Revenue		_____

Sales:

Total Receipts		_____
Variance (Total Revenue minus Total Receipts)		_____

Reason for Variance

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*



## Service Sales Reconciliation Worksheet

Event \_\_\_\_\_

Describe the service rendered to raise funds:

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Describe the receipting and deposit process:

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\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*