



Stafford Municipal School District

Procedures for Parent and Community Organizations

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GENERAL GUIDELINES AND REQUIREMENTS

Stafford Municipal School District encourages the participation and involvement of parents and community members in the education of the District's students. Parent and community organizations may be formed to promote the school program or to complement a particular student group or activity. Students' learning opportunities are expanded when they participate in school activities and programs, and the District greatly appreciates the time and effort that these organizations provide in service of our students.

Board Policy GE (LOCAL) requires parent and community organizations to function in a way that is consistent with the District's philosophy and objectives, within adopted Board policies, and in accordance with applicable UIL guidelines and generally accepted financial and audit practices. [See CFD (LOCAL)]. These Procedures for Parent and Community Organizations are designed to provide parent and community organizations, campus principals, and faculty sponsors with operating guidelines and financial procedures to help these organizations meet that requirement.

Types of parent and community organizations include:

- Booster Clubs – formed to enrich school participation in (and community support of) extra-curricular activities and normally involves an individual student group (band, basketball, soccer, etc.); and
- PTOs – formed to promote the general welfare of the student body at a particular campus.¹

Parent and community organizations are considered to be separate and distinct entities from the District and from the campuses and programs they support. [See GE (LOCAL)]. Therefore, the District, its campuses, and its programs are prohibited from allowing an organization to operate on District property without following Policy GKD, handling organization funds, or otherwise comingling District and organization resources.

Parent and community organizations are also responsible for their own insurance coverage, exposure to liability, financial obligations, taxes, debts, and other encumbrances.

The District is entitled to review the financial reports and organizational practices of a parent or community organization to determine whether the organization is operating in accordance with its stated purpose and in the best interests of the District.

All parent and community organizations must abide by Board Policies GE (LEGAL) and GE (LOCAL), as well as any other applicable Board policies, including, but not limited to:

- Policy CDC – governing gifts and donations made to the District;
- Policy GKB – governing fund-raising on behalf of the District;
- Policy GKD – governing the use of school facilities by members of the public.

¹ In accordance with Policy GE (LEGAL), the Board shall cooperate in the establishment of ongoing operations of at least one parent-teacher organization at each school in the District to promote parental involvement in school activities.

ADMINISTRATIVE OVERSIGHT

Campus Principals

Each campus principal is responsible for overseeing the operations of any parent or community organization on his or her campus. The principal shall:

- Approve the formation of any parent or community organization;
- Receive a copy of the organization's bylaws and organizing documents by September 1 of each year (see Timeline, p. 10);
- Ensure that an organization's sole function is to support the educational activities of the designated program area;
- Oversee the operations of any parent or community organization on his/her campus, including any fund-raising activities;
- Disallow the continued association of any school program with a parent or community organization that the principal judges to be disruptive to the educational activities or goals of the program or group; and
- Work with the Business Office and faculty sponsor to ensure that Board Policy GE (LEGAL), Board Policy GE (LOCAL), and these procedures are distributed to each organization on an annual basis.

Faculty Sponsors

If a parent or community organization supports a particular student group, the faculty sponsor of the student group shall serve (under the supervision of the principal) as the liaison between the organization and the District.

The faculty sponsor shall:

- Approve all student/school-related activities of the supporting parent or community organization;
- Work with the parent or community organization to establish meaningful goals and student-support activities;
- Assist the parent or community organization to set a sensible budget and ensure that the organization's expenditures directly support the student group's goals;
- File a list of the parent or community organization's officers with the campus principal no later than September 1 of each school year and update the list as necessary during the school year (see Timeline, p .10); and
- Submit a list of the parent or community organization's planned activities for the coming year to the principal for approval no later than September 1 of each school year. The liaison should inform the principal of any additional activities at least 30 days before the planned date in order to obtain timely approval and to avoid any time or facility conflicts.

OPERATING PROCEDURES

Each parent and community organization shall operate under bylaws and procedures and shall submit a copy of the current bylaws, operating procedures, and articles of incorporation (if applicable) to the school principal and the Chief Financial Officer by September 1 of each school year and within five (5) business days of any subsequent change to the documents.

Each parent and community organization shall also submit a completed Statement of Purpose (Form BC/01) by the last Friday in September each school year (see Timeline, p. 10)

Record-Keeping Practices and Operational Transparency

All meetings of parent or community organizations must be public meetings. Minutes of all parent organization meetings should be kept in writing in the permanent records of the organization.

Each parent and community organization should maintain its financial and other business records in an orderly manner to facilitate the transfer of duties to new officers each year. Each organization must also comply with any record-keeping requirements imposed by the IRS or other federal and state agencies and laws.

Conducting Business and Handling Funds

Parent and community organizations may not bind the District or any of its employees to a third party, otherwise act on the District's behalf, or use the District's name or IRS Employer Identification Number ("EIN") to conduct business. This prohibition extends to using the District's name on checks, letterhead, and literature. The District is not liable for any contracts entered into or expenditures made by a parent or community organization. Parent and community organizations are strongly encouraged to obtain legal assistance before entering into any agreement or contract in the organization's name. Parent and community organizations shall seek competent tax and legal advice on their own and at their own expense, as needed.

Each parent and community organization shall obtain its own EIN and provide that number to the Chief Financial Officer upon receipt. Each organization shall handle funds in its own bank account; under no circumstances shall parent or community organization funds be commingled with District funds.

The proper collection, reporting, disbursement, and safeguarding of all money and other parent and community organization assets rests solely with each organization's officers, jointly and severally, and not with the District or any of the District's employees. The principal of each campus may act in an advisory capacity only, and has no authority to handle organization funds, set policy for an organization, or act as a signatory on an organization's bank account.

The Business Office must process all fund transfers from parent or community organizations to the District; organizations may not transfer funds to employees or other individuals directly. District employees may not accept loans from parent or student organizations.

Parent and community organizations should obtain a post office box or use a member's home or business address for all correspondence; these organizations shall not use a District mailing address to conduct business.

Capital equipment purchased with parent or community organization funds become the property of the District and must be used exclusively for District purposes.

Facilities Usage

District-affiliated, school-support PTOs or booster clubs may use District facilities with prior approval of the appropriate administrator. All applicable facility usage fees may apply in accordance with Policy GKD. Other parent groups may use District facilities in accordance with Policy GKD. Under no circumstances shall any parent or community organization be allowed to use District-owned motor vehicles.

Conflicts of Interest

A District employee may serve a parent or community organization as a general member or as a member of its executive board, except for the position of treasurer. A District employee shall not serve in any capacity over the organization's financial affairs, including as an authorized signer on the organization's bank account. Moreover, all District employees affiliated with a parent or community organization must abide by the District's policies regarding avoiding and reporting potential conflicts of interest. [see Policy DBD].

A substitute or temporary District employee may serve as treasurer of a parent or community organization or as an authorized signer on the organization's bank account only with written approval from the principal or supervisor where the organization is located, and from the Chief Financial Officer or his designee. If the substitute or temporary employee's employment with the District spans more than one school year, the employee must request and receive approval at the start of each school year. The written approval must be kept on file with the District's Chief Financial Officer.

FINANCES AND FINANCIAL REPORTS

As required by Board Policy GE (LOCAL), each parent and community organization must handle its finances prudently, ethically, and in accordance with all state and local laws and regulations, generally accepted good business practices, and applicable Board policies.

Financial Reports

The treasurer of each parent or community organization must complete a Financial Summary Report (Form BC/02) no later than the second Friday in May of each school year.

The treasurer of each parent or community organization must also prepare a comprehensive written report of actual revenues and expenditures (annual report) for the school year, which shall be September 1 to August 31. This report and supporting financial information must be reviewed by either an organizational review committee or by an independent reviewer (*e.g.*, a CPA). If the organization decides to use a review committee, at least one member of the committee must not be an officer or related to either an officer or the faculty sponsor. *See Suggested Audit Program*, below.

Each parent or community organization must submit a copy of the annual report and evidence of audit to the District's Chief Financial Officer by October 31 of each year, or the following business day if October 31 falls on a weekend or District holiday. The Chief Financial Officer shall confirm that the financial report has been reviewed and maintain a copy of the report in the District's records, but shall not audit the report.

Fiscal Transparency

At each parent or community organization meeting that includes the organization's general membership, the treasurer must present a written report of the money received and expended since the previous report.

Each parent or community organization must present the annual financial report and evidence of audit at a meeting that includes the organization's general membership by October 31 of each year.

Optional Non-Profit Status

A parent or community organization may, but is not required to, obtain federal tax-exempt status as a public 501(c)(3) charitable organization by obtaining a Determination Letter from the Internal Revenue Service (IRS) stating that the organization is exempt from federal taxes. Once the organization receives a Determination Letter, it must submit a copy to the District's Chief Financial Officer.

SUGGESTED AUDIT PROGRAM

Parent and community organizations may choose to have a committee of its members review the organization's annual financial report. In that event, the District suggests the following audit program and practices:

Bank Reconciliations

- Trace ending balances on bank reconciliations to bank statements, outstanding check lists, and other reconciling items;
- Verify that bank reconciliations were completed within 30 days of bank statement ending date;
- Ensure that any outstanding or reconciling items on the reconciliations were cleared the following month;
- 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

- Determine whether a procedure is in place for an organization member, other than those members with check-signing ability, to receive bank statements by mail and review for reasonableness;
- Determine whether any cash corrections were identified on bank statements and ensure that reasonable explanations are available;
- Compare the number of cleared checks included in the bank statement with the number noted on the bank statement to ensure agreement;
- Ensure that cleared checks contain signatures of individuals authorized to sign checks. Ideally, bank accounts should be established to require two signatures.

Receipts

- 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.
- Trace deposits to collection documentation and prepared cash receipts for agreement;
- Trace deposits to bank statements to ensure agreement;
- Ensure that receipts are presented for deposit in a timely manner by reviewing the dates of prepared cash receipts with the dates of deposit on the bank statement.

Disbursements

- From the check register or other accounting records, schedule each check, withdrawal, or other debit (use of spreadsheets is helpful). If the volume is significant, consider selecting only a representative sample.

- Trace checks to supporting documentation, such as invoices, receipts, approved expenses related to fundraisers, or other reasonable explanations;
- Review canceled checks to ensure agreement of payee name, endorsement, and check amount;
- Trace disbursements to a budget approved by the membership or meeting minutes;
- For bank withdrawals for the purpose of establishing a change fund for an event, confirm that the change fund was later re-deposited;
- Evaluate each fundraiser individually by calculating the value of items available for sale or number of tickets sold, and comparing the amount to deposits and remaining inventory;
- Determine whether fundraiser applications (Form BC/03) were prepared and submitted to the campus principal for each fundraiser.

Miscellaneous

- Inventory remaining check stock to confirm that all checks are present and sequential. Ensure that the check number for the last check issued and the first check available in the check stock are sequential;
- Confirm that the check stock is retained in a secure place when not in use;
- 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 significantly modified to eliminate the possibility of clearing the bank (*e.g.*, the signature portion has been cut out of the check and “VOID” is written across the check);
- Ensure that sales tax reports were prepared and filed timely;
- Verify that IRS Form 990 was filed and review for reasonableness.

FUND-RAISING

Parent and community organizations shall conduct all fund-raisers in accordance with federal, state, and District guidelines and for no other purpose than to support the school program or group activity for which the organization was formed. [See Policy GKB].

Fund-Raising Guidelines

In particular, revenues generated from fund-raising activities must benefit the organization, the sponsored student group, or the student activity area as a whole – not individuals. Therefore, parent and community organizations may not use methods of fund-raising or accounting that credit individuals for their fund-raising efforts. All members of the organization, the sponsored student group, or the student activity area must receive an equal opportunity to benefit from fund-raising activities, regardless of whether or not an individual participated in the fund-raising activities.

In addition, organizations may not require individuals to participate in fund-raisers, and benefits given by a parent or community organization may not be distributed based on participation in a fund-raiser or on revenues generated by a particular individual or family. Therefore, a parent or community organization cannot deny an individual member of a supported District program or student group a benefit because the individual did not participate in the fund-raiser or failed to raise a certain amount of revenue.

A parent or community organization may establish written criteria for providing certain benefits to an individual with a financial hardship, and may provide students who meet the criteria a benefit that other students do not receive (for instance, in the event that students have to pay a designated amount to attend a trip, a student who meets the financial hardship criteria may have the full amount of his or her trip paid by the organization). The IRS allows such exceptions in order for all members to receive an equal opportunity to benefit from fund-raising activities, so long as the criteria for determining financial hardship is established prior to a financial hardship situation arising, the criteria does not change to allow a particular individual to meet the criteria, and the criteria is applied consistently to all potential recipients.

Notice of Fund-Raising Activities

A parent or community organization desiring to conduct a fund-raising activity for a school program shall submit the following information to the designated District employee (campus principal or sponsor) on the appropriate form (Form BC/03) at least 30 days prior to the intended activity:

- Purpose of the fund-raiser;
- Type of activity planned (*e.g.*, candy sale, carnival, etc.);
- Date(s), time(s), and place(s) of the activity;
- Name of the sponsoring organization and its representative;
- Name and phone number of the person(s) in charge of the fund-raiser; and
- Name and phone number of the organization member(s) who will be handling the funds raised.

Student Participation in Fund-Raising Activities

Organizations should limit the number of major fund-raising activities involving students, and the faculty sponsor and the principal must approve any such fund-raising activities.

BOOSTER CLUB GUIDELINES

Booster Clubs must abide by the same procedures as any other parent or community organization. In addition, Booster Clubs shall:

- Be voluntary and provide unified support for student activities of the school;
- Be limited to a single club/organization for each area of student activity (*i.e.*, athletics, band, choir, etc.);
- Encourage involvement by all parents of students participating in the supported activity;
- Use school facilities only with prior approval of the principal or his/her designee in accordance with Policies GE(LOCAL) and GKD(LOCAL);
- Not be involved in decision- or policy-making activities for a student group;
- Have no authority in directing or influencing District employees in the administration of duties;
- Comply with all UIL guidelines (attached);
- Comply with administrative regulations and Board policy when offering money/gifts to the District [see Policy CDC];
- Pay all taxes and other debts incurred by the organization;
- Issue receipts for all money collected; and
- Attend the District's annual school-related organizations meeting.

PARENT AND COMMUNITY ORGANIZATION TIMELINE

The following timeline applies to Parent and Community Organizations:

September 1	<ul style="list-style-type: none"> • Deadline for faculty sponsor to: (1) file a list of the organization’s officers with the campus principal; and (2) submit a list of the organization’s planned activities for the coming year to the campus principal for approval. • Deadline for organization president to submit a copy of current bylaws, operating procedures, and articles of incorporation (if applicable) to campus principal and Chief Financial Officer.
First Friday in September	<ul style="list-style-type: none"> • Chief Financial Officer or his designee provides BC/01 forms to campus principals.
Second Friday in September	<ul style="list-style-type: none"> • Campus principals distribute BC/01 forms to organization presidents.
Last Friday in September	<ul style="list-style-type: none"> • Presidents return signed forms to campus principals. Principals sign forms and submit them to Chief Financial Officer by the next business day.
October Board Meeting	<ul style="list-style-type: none"> • List of prospective organizations submitted to Board of Trustees for approval.
October 31	<ul style="list-style-type: none"> • Deadline for organization treasurer to submit copies of financial reports and evidence of audit to Chief Financial Officer; • Deadline for organizations to present their annual financial report and evidence of audit at a general membership meeting.
Second Friday in April	<ul style="list-style-type: none"> • Chief Financial Officer or his designee provides BC/02 forms to campus principals.
Fourth Friday in April	<ul style="list-style-type: none"> • Campus principals distribute BC/02 forms to organization presidents. Organization treasurers complete form.
Second Friday in May	<ul style="list-style-type: none"> • Organization presidents return signed BC/02 forms to campus principals. Principals sign forms and submit them to Chief Financial Officer by the next business day.



Booster Club/Organization's Statement of Purpose

Name of Club/Organization: _____ School: _____

How many years has the organization been in existence?

Name of President:			Name of Vice President:		
Address:			Address:		
City:	State:	Zip:	City:	State:	Zip:
Daytime Phone: () -			Daytime Phone: () -		

Briefly describe the goals and objectives of your club and how obtaining those would benefit both students and their school:

What is the total amount of money the organization has on hand as of this date?

This report is submitted by: _____ Date: _____ Phone: () -

Please be aware that, at the end of each school year, your organization must file a separate Booster Club/Organization Annual Report (Form BC/02) with the administration. The BC/02 report will indicate the following:

1. Amount of money in your account at the beginning of the school year.
2. Amount of money raised during the school year
3. Report of how funds were expended (activities, equipment, materials, services, etc.)
4. Total balance of funds for carry-over to next school year.

Principal's Recommendation: Approval Non-Approval

Principal's Signature: _____ Date: _____



Booster Club/Organization's Annual Report

Name of Club/Organization: _____ School: _____

Name of President: _____ Daytime Phone: _____

Address: _____ Stafford, TX Zip: _____

Activities completed / Objectives achieved by the club/organization:

- 1.
- 2.
- 3.
- 4.

Money in account at the beginning of the school year: \$

Total amount of money raised during the school year: \$

Activities, equipment, materials, services, etc. purchased with funds:

- _____ \$
- _____ \$
- _____ \$
- _____ \$
- _____ \$
- _____ \$
- _____ \$
- _____ \$
- _____ \$

Total **expenditure** of money for the school year: \$

Total **balance** of money on hand for carry-over: \$

This report was completed by: _____ Date: _____

Address: _____ City: Stafford Zip: _____

Daytime Phone: _____ Position in Club: _____



**Booster Club/Organization's
Request for Approval of Fund-Raising Activity**

- Booster club or other school-support organization
- Parent-Teacher organization

Name of Club/Organization: _____

Name of the sponsor: _____

School: _____

Project: _____

Vendor: _____

Vendor's address: _____

Name of representative: _____

Date of project: _____

Length of project: _____

Expected profit: _____

Name of person who will be handling the project's money: _____

Purpose/Benefit to the school or District: _____

Scope of solicitations: _____

Sponsor's signature

Date

Principal's signature

Date

Approved Denied