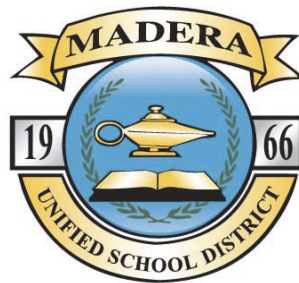


# **MADERA UNIFIED SCHOOL DISTRICT**

## **Guidelines for Parent Organizations and Booster Clubs**

October 2012



# Table of Contents

Definitions.....	1
Application for Board Approval.....	3
Minimum Elements of a Constitution and By-Laws .....	4
Membership.....	5
Liability .....	5
Obtaining Tax Exempt Status .....	6
Fundraising Activities .....	7
Use of Facilities .....	7
School-Connected Food Sales .....	7
Administration and Expenditure of Funds .....	8
Support Personnel.....	9
Retention of Records.....	10
Limit of Liability .....	10
Parent Organizations Other Than PTA .....	11
General Do's and Don'ts .....	12
Agreement for Paid Volunteers Form .....	13

# Definitions:

## **ASB**

Associated Student Body (ASB) organizations are composed of students for the purpose of conducting activities on behalf of students. Education Code Section 48930 defines the purpose of an ASB organization as “the conduct of activities on behalf of the students approved by the school authorities and not in conflict with the authority and responsibility of the public school officials”. As such, ASB groups have been given the authority to conduct fundraisers and to spend money for the benefit of students.

All activities and fundraising events that involve the primary participation of students should be conducted through the ASB. The finance office, along with the advisors/coaches and students must follow the procedures as set by the ASB. These procedures cover all student performances for which gate receipts or honorariums are received, all student conducted fundraisers, all collections from students for uniforms and/or t-shirts, and all collections of funds in relation to district sanctioned student field trips. These fundraising activities are primarily on campus.

## **Booster Clubs and Parent Organizations**

The most formal parent support group is the National Parent Teachers Association (PTA). The California State PTA publishes governance, fundraising, and financial guidance for members on its website: [www.capta.org](http://www.capta.org).

Booster and parent organizations are composed of parents, community members, and staff members coming together for the purpose of supporting specific school activities for the benefit of students such as athletic teams, debate teams, and musical groups. Such groups are commonly referred to as *school-connected* organizations. They are important means of connecting parents and other community members with the curricular and co-curricular activities of students and the board welcomes and encourages parental interest and participation.

Booster and parent organizations are separate from school districts with which they are associated and are not governed by the Education Code. However, booster and parent organizations do not have free access to schools and their students. The school district governing board and administration have, and must maintain, exclusive control and management of its public school system. Education Code Section 51520 and 51521 require that any school-connected organization and/or activity be one that is authorized by law and permitted by board policy.

In addition, Education Code Section 51520 prohibits the solicitation of pupils by outside organizations on school property during school hours. Solicitation is defined as “to subscribe or contribute to the funds of, to become members of, or to work for any organization not directly under the control of the school authorities.” A clear separation of responsibilities between the ASB and the various booster and parent organizations must be maintained.

All activities and fundraising events that involve the primary participation of students should be conducted through the ASB. This would include all student performances for which gate receipts or honorariums are received, all student conducted fundraisers, all collections from students for uniforms and/or t-shirts, and all collections of funds in relation to district sanctioned student tours/field trips.

Booster/parent organizations should serve as auxiliaries to the school program and should conduct activities and fundraising events involving the primary participation of parents and other adult community members. Funds raised by booster/parent organizations are to be used to support programs; however, no student will be required to raise funds in order to participate in school programs and events. Booster/parent funds so raised should then be donated to the district for specific purposes, such as the purchase of specific items of equipment or to provide financial assistance to students with need in relation to uniforms or tours. This is the preferred method. However, if particular items are purchased by the booster/parent organization, these items must then be donated to the school for use by the designated group in accordance with district policies and procedures.

Booster/parent funds will not be co-mingled with the student body funds. The school district's tax exempt status and identification numbers are not for booster/parent organization use. Booster/parent organizations are responsible for their own tax status and accounting. All booster/parent organization tax I.D. numbers must be on file with the Madera Unified School District Business Services Office.

# **BOOSTER CLUB AND PARENT ORGANIZATION INTERACTION**

## **Application for Board Approval**

In order to fulfill its legal and fiduciary requirements, the school board must require school-connected organizations to submit an application (if new) or request for continuance (if previously approved). Any request for approval must include the following information as required by Board Policy and Administrative Regulation 1230:

1. The name and purpose of the organization.
2. The date of application.
3. Bylaws, rules, and procedures under which the organization will operate. Including procedures for maintaining the organization's finances, membership qualifications, if any and an agreement that the group will not engage in unlawful discrimination.
4. The names, addresses and phone numbers of all officers.
5. A list of specific objectives.
6. An agreement to grant the district the right to audit the group's financial records at any time, either by district personnel or a certified public accountant.
7. The name of the bank where the organization's account will be located and the names of those authorized to withdraw funds.
8. The signature of the principal of the supporting school.
9. Planned use for any money remaining at the end of the year if the organization is not continued or authorized to continue in the future.
10. An agreement to provide evidence of liability insurance as required by law.

Authorization shall be granted for a period of one year. Requests for subsequent authorization shall be presented to the Superintendent or designee annually, along with a financial statement showing all income and expenditures from fund-raisers. If the Superintendent or designee proposes to deny the request for reauthorization, he/she shall present his recommendation to the Board for approval.

School-connected organizations are prohibited from hiring or directly paying district employees. Organizations may make donations to the district to cover the costs of additional employees, but only if such positions are approved in advance by the board. At their discretion, employees may volunteer to perform activities for school-connected organizations during non-working hours.

## **Minimum Elements of a Constitution and By-Laws**

Minimally a constitution should include the following five elements:

1. Name and purpose of the organization
2. Membership
3. Executive Board or Officers
  - a. Positions and duties of each position defined
  - b. Term limitations
4. Method of amendment introduction to the constitution
  - a. By who
  - b. By petition of \_\_\_ percent of members
  - c. By ballot
5. Adoptions or ratification of constitution and any subsequent amendments
  - a. Shall require (percentage) vote of (Executive Board)

Minimally the by-laws should include the following six elements:

1. Duties and powers of Executive Board and Officers
2. The composition and membership of committees
3. Successions
4. Elections and qualification for office
5. Finances
  - a. Statement of internal controls, authorization of financial activities
    - i. Who shall approve prior to any commitment
6. Meeting schedule
  - a. For regular and special sessions
  - b. Time, manner, frequency
  - c. What constitutes a quorum
  - d. Who shall conduct meetings

## Membership

1. Parents, community members, and staff may be members of any booster club or parent organization.
2. The principal or designee shall maintain on-going communication with the organization.
3. Membership fees may be used for raising funds for specific projects for the schools but school fees may not be a requirement of parents or students to participate in school activities.

## Liability

District liability for conduct and activities of an organization established for the purpose of supporting the district may be based upon the nature of the relationship between the two entities. That relationship may be contractual or based on the amount of district control or on the fact that the district is the beneficiary of the organization's activities. Therefore, it is likely that a lawsuit based upon an activity of the organization will also name the district and seek a finding of joint liability. Whether the district is appropriately named or not, the district will incur legal expenses in defending the lawsuit.

**When using school facilities, the district may, at its discretion, require booster and parent organizations to provide a higher level of insurance coverage based on the type of activity or event, (i.e. provide proof of liability insurance in the minimum amount of \$1,000,000 combined single limit with the district named as an additional insured endorsement).**

A district may more effectively limit its exposure by adequately supervising and monitoring the activities of a school-connected organization. Familiarization with applicable statutes, regulations and reporting requirements will assist the district in ensuring the proper conduct of the group's activities and therefore lessen the amount of district exposure.

## **Obtaining Tax Exempt Status**

Booster and parent organizations are not legal components of a school district. Each organization must have its own tax identification number, own bank account, and is directly responsible for compliance with IRS and state reporting and disclosure requirements.

Organizations who provide receipts to donors as a “charitable tax deductible donation” must be officially approved by IRS as a 501(c)(3) tax-exempt organization. It is the organization’s responsibility to be both knowledgeable and compliant with all state and federal laws.

Booster and parent groups are encouraged to contact the Internal Revenue Service and the Franchise Tax Board in order to obtain a tax-exempt status for their organization. State and Federal forms and further information can be found at the following Web sites:

### Tax Identification Number

Form SS-4, “*Application for Employer Identification Number*”

Instructions: <http://www.irs.gov/pub/irs-pdf/iss4.pdf>

Fill-in form: <http://www.irs.gov/pub/irs-pdf/fss4.pdf>

### Non-Profit Status

Publication 557, “*Tax-Exempt Status for Your Organization*”

<http://www.irs.gov/pub/irs-pdf/p557.pdf>

Package 1023, “*Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*” Includes fill-in form 1023, instructions for form 1023, and form 872-C:

<http://www.irs.gov/charities/article/0,,id=139469,00.html>

Form 8718, “*User Fee For Exempt Organization*”

<http://www.irs.gov/pub/irs-pdf/f8718.pdf>

California Forms and Instructions Form 3500 Booklet, “*Exemption Application Booklet*” Includes instructions and two copies of form 3500.

[http://www.ftb.ca.gov/forms/2008/08\\_3500bk.pdf](http://www.ftb.ca.gov/forms/2008/08_3500bk.pdf)

Consult Tax Tips Pamphlet No. 18, “*Sales and Use Tax Guide for Volunteer and Nonprofit Fundraising Organizations*” to determine what may and may not be taxable.

<http://www.boe.ca.gov/pdf/pub18.pdf>



## **Fundraising Activities**

In accordance with Education Code Section 51521, programs, fundraisers or other activities sponsored by booster and parent organizations must be authorized and conducted according to local board policy, laws, and school rules. At the beginning of each school year, each booster and parent organization shall submit to the principal/designee a list of the fundraising events that each organization proposes to hold that year. The principal/designee shall review the proposed events and determine whether the events are in conflict with or detract from the school's educational program.

The following are guidelines for booster/parent organizations fundraising activities within the Madera Unified School District:

1. Use of the districts'/schools' name in fundraising activities should be approved by the school principal/designee and will comply with district policies and state law.
2. Students shall not be involved in fund raising activities except as volunteers for the booster organization.
3. Penal Code Sections 320 and 320.5 authorize, under defined circumstances, eligible organizations to conduct raffles *which require the payment of a fee* for a chance to win a prize. Raffles may include donation drawings and bingo. 90% of the gross receipts must be used for charitable purposes. Therefore 50/50 drawings are illegal. Public schools are not "eligible organizations" but parent organizations with a 501(c)(3) status are. Information on how to conduct a legal raffle can be obtained by going to the California Attorney General's Web site: [www.ag.ca.gov](http://www.ag.ca.gov).
4. All booster funds are collected and maintained by the organization. The district's tax identification number cannot and will not be used. No booster funds shall be kept in ASB accounts.

## **Use of School Facilities**

State law and Board Policy and Administrative Regulation 1330 regulate community programs on district property. District *Use of Facility* form should be submitted generally one month before the intended activity with a *Certificate of Insurance*, covering liability and property damage endorsing the district as additionally insured.

## **School-Connected Food Sales**

Booster and parent organizations must comply with state law as well as district policies and regulations on the sale of food on school premises. Booster and parent organizations are encouraged to review and become knowledgeable of applicable laws including county food handling requirements, State and Federal nutritional standards, as well as the district's Wellness Policy. Additional information is available from the Child Nutrition Services department.

### **Administration and Expenditure of Funds**

1. The treasurer's books and accounts shall be open to audit by a committee of members, one of which may be the principal of the school or his/her designated representative.
2. Upon dissolution of the group, all funds shall be transferred to the respective school's general student body funds. The district business services department shall be advised in writing of the dissolution.
3. Gifts to the student body of money or of approved materials may be made when approved by the principal or designee.

### Purchases for Schools

- a. All purchases shall be donated to the school in accordance with board approved policies and procedures.
- b. Staff may make requests through their principal or designee to the booster club or parent organization for desired donations.
- c. Donations may be made in cash to allow the purchasing department to buy items that are in line with district purchasing guidelines and statutory laws.
- d. The maintenance department must be consulted, prior to purchase, on all items requiring installation. The business division must be consulted on purchase of items requiring a maintenance contract.
- e. Capital improvements, equipment (over \$5,000), and uniforms may only be purchased with the prior approval of the principal and district authorized designee. These purchases must be processed through the district purchasing department to ensure compliance with statutory laws. Organizations "donate" the funds to the district for purchase of such capital outlay items.

## **Support Personnel**

The Madera Unified School District does not allow parent or booster clubs to hire staff to perform services for the Madera Unified School District. If a booster or parent organization wishes to pay for additional and/or extra-curricular services, the person to provide the services must be hired through the Human Resources Division of the Madera Unified School District. The booster or parent organization will deposit such funds into a district account for the proposed expenses. The funds must be sufficient to pay for the actual services plus any benefits due the employee.

### Procedure

- a. An agreement for paid volunteers will be completed and submitted to the Business Services Division which will verify deposit of the booster or parent organization donation and forward the requisition to the Human Resources Division.
- b. The employee will be hired through normal channels and be subject to all rules and regulations imposed by the Human Resources Division and the State of California.
- c. The employee is not authorized to perform services until after Board approval and district receipt of the donated funds.
- d. The personnel will be paid after the above procedure is completed.

## **Retention of Records**

Since voluntary organizations often suffer from the constant turnover of officers and members, it is important that the activities of the organization be clearly documented and that a procedure for retaining those documents be established. Among the documents that should be retained by the organization are:

1. Constitution and by-laws
2. Minutes of meetings as defined by the organization by-laws
3. Income tax returns – Federal and State
4. Other federal and state filings
5. Bank records
6. Annual financial statements
7. Cash receipts
8. Cash disbursements and general ledger

It is recommended that the organization obtain a safety deposit box or a similar storage facility to ensure security of important documents.

## **Limit of Liability**

1. School personnel should not try to manage or direct booster clubs. Appropriate advice on use of the school name by a booster or parent organization is recommended.
2. The school should not cause others to believe it is in charge or has any responsibility for a booster or parent organization.
3. Booster or parent organizations are not authorized to act as an agent or represent itself as an agent of the school or district.
4. Booster or parent organizations should not use district or school letterhead for carrying out its business.

## **APPROVED PARENT GROUPS OTHER THAN PTA**

An approved parent group is a group of organized parents (in absence of local PTA) co-sponsored by a school, whose objective and purpose relate to the health and welfare needs and other student body financial activities of the sponsoring school.

Such a group shall be required to conform to the regulation indicated below.

### **Procedures**

1. The proposed parent organization will follow all policies and procedures of the Madera Unified School District including those referenced above.
2. The following stipulations are to be observed and should be included in the constitution and by-laws of the organization:
  - a. The group shall be nonpartisan and nonsectarian in membership and purpose.
  - b. Once approved, membership in the group must be open to all parents who have pupils in the school as well as to teachers and administrators.
  - c. Any membership fee shall be a reasonable amount.
  - d. The officers of the group shall be elected annually by popular vote.
  - e. The principal or designee of the school shall be a member of the executive committee of the parent organization.
  - f. The procedures of the parent organization shall be governed by Roberts' Rule of Order, or a similar code. Minutes of the meetings shall be kept and read for approval at succeeding meetings. Actions taken by the executive committee shall be reported to the membership at large.
  - g. All regular meetings, executive board meetings and committee meetings of local parent groups which involve the participation of the principal and/or other school personnel shall be held at the school. Any exceptions shall be approved by the principal or designee.

**GENERAL DO'S AND DON'TS OF  
BOOSTER/PARENT ORGANIZATIONS**

**What to do:**

- Obtain tax identification number and tax-exempt status, if applicable.
- Open financial account under the above criteria. Maintain records for continued status.
- Create logo and name to be used; the school or district is separate. High school or district logos should not be used without specific authorization of the Superintendent/designee; booster and parent organizations have their own identity.
- Raise funds by using adult membership. Special projects may include students who volunteer.
- Maintain relationship with principal and his/her designee for input of needs.
- Donate all purchases to the school district in accordance with District policy.
- Donate funds to ASB accounts for specific student teams/groups.
- Consult District maintenance department prior to purchasing items that require installation or business division prior to purchasing goods or services that require on-going maintenance contracts.
- All capitalized expenditures over \$5,000 must be processed through the District's purchasing department.

**What NOT to do:**

- Conduct fundraiser activities requiring student to participate.
- Co-mingle booster or parent organization funds with ASB funds.
- Represent booster or parent organization activities as those of the Madera Unified School District or one of its schools.

## AGREEMENT FOR PAID VOLUNTEERS

### INSTRUCTIONS

- FORM:** Fill out Expectations for Volunteers form completely and complete information requested below:

- Site of Service: \_\_\_\_\_
- Dates of Service: \_\_\_\_\_
- Times of Service: \_\_\_\_\_
- Fees: \_\_\_\_\_
- Type of Volunteer: \_\_\_\_\_

- VOLUNTEER'S QUALIFICATIONS:** Please provide a brief description below of the services to be provided.

- TB** test taken as required by Human Resources.
- FINGERPRINTING** as required by Human Resources
- VOLUNTEER'S REQUEST FOR PAYMENT FORM:** Please provide volunteer with sample Payment/Invoice form for submittal after services are preformed. Submit the invoice to the Business Office. It will need to be signed by an Administrator or group providing funds to verify that the services have been received and payment is approved.
- METHOD OF PAYMENT TO VOLUNTEER:**

- Outside Group to be invoiced (ASB, PTA, Boosters)

\_\_\_\_\_

- Charge Budget Code:

Fund Resource School Goal Function Object Dept PY

\_\_\_\_\_

**HR: Please initial each section. Once completed return this check off list to Business Office.**