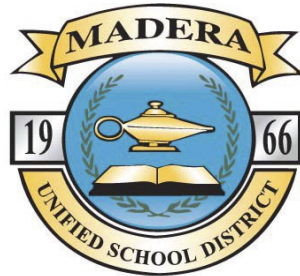


# MADERA UNIFIED SCHOOL DISTRICT

## Guidelines for Parent Organizations and Booster Clubs



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## **PARENT GROUPS**

An approved parent group is a group of organized parents 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.

The proposed parent organization will follow all policies and procedures of the Madera Unified School District. (BP/AR 1230)

## **ASB**

Associated Student Body (ASB) organizations are composed of students for the purpose of conducting activities on behalf of students. All activities and fundraising events that involve the primary participation of students should be conducted through the ASB. 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.

## **Booster and Parent Organizations**

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.

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 Office.

## **Request for Recognition**

In order to fulfill its legal and fiduciary requirements, the school board must require school--connected organizations to request for recognition. 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.
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.
11. Last IRS Filing.

Authorization shall be granted for a period of one year. Requests for subsequent authorization shall be presented to the Governing Board annually, along with a financial statement showing all income and expenditures from fundraisers.

School-connected organizations are prohibited from hiring or directly paying district employees. At their discretion, employees may volunteer to perform activities for school-connected organizations during non-working hours.

Each booster organization must develop and maintain bylaws that are jointly reviewed on an annual basis by the campus principal and the parent/booster club officers. Copies of the organization's bylaws must be submitted with a Request for Recognition form annually to the District Governing Board.

The bylaws should contain the detail of the rules of membership. This document must address the organization's fiscal year, organizational structure and the method used to elect officers. Employees of the District should use caution when serving in a financial capacity of the booster or other parent organization. These organizations should be ran by parents/grandparents of the school.

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

### **Constitution should include at least the following five elements:**

1. Name and purpose of the organization
2. Membership
  - a. Parents, community members, and staff may be members of any booster club or parent organization.
  - b. The principal or designee shall maintain on-going communication with the organization.
  - c. 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.
3. Executive Board or Officers
  - a. Positions and duties of each position defined - Executive Board Officers should be parents/grandparents of a student at the school.
  - 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)

### **By-laws should include at least 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
  - b. Audit controls and processes
6. Meeting schedule
  - a. For regular and special sessions
  - b. Time, manner, frequency
  - c. What constitutes a quorum
  - d. Who shall conduct meetings

At a minimum, the booster organization shall elect the following officers:

### **PRESIDENT**

Typically, the president of a booster 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;
- Resolve problems in the membership;
- Regularly meet with the treasurer of the organization to review the organization's financial position;
- 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.

### **VICEPRESIDENT**

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.

### **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;
- 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 major duties include, but are not limited to, the following:

- Issue a receipt for all monies received and deposit said amounts;
- 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; Copies should be available for review by the general membership if requested.
- Maintain an accurate and detailed account of all monies received and disbursed;
- Reconcile all bank statements as received and resolve any discrepancies with the bank immediately;
- File annual IRS form 990 in a timely manner;
- Submit records to audit committee appointed by the organization upon request;
- 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. Employees of the District should use caution when serving in a financial capacity of the booster or other parent organization.

## **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).

## **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.

## **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 visit the Internal Revenue Service and the Franchise Tax Board websites in order to obtain information on getting tax-exempt status for their organization.

## **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. Club must establish cash handling procedures are established and followed for all fundraising events (pre-numbered tickets/receipts, dual cash counting, deposit all funds timely and regularly).
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.

## **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 office 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

1. All purchases shall be donated to the school in accordance with board approved policies and procedures.
2. Staff may make requests through their principal or designee to the booster club or parent organization for desired donations
3. 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.
4. 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.
5. 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.

## **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.

## **GENERAL DO'S AND DON'TS OBOOSTER/PARENT ORGANIZATIONS**

### **What to do:**

- Obtain tax identification number
- 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.

## Parent/Booster Club Suggested Audit Procedures

### Bank Reconciliations

- Trace ending balances on the reconciliations to bank statements, outstanding checklists, and other reconciling items.
- Verify that bank reconciliations are complete within 30 days of bank statement ending date.
- Ensure that any outstanding or reconciling items 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 a club member, other than those that have check signing ability, to receive bank statements by mail and review for reasonableness.
- Determine whether any cash corrections should be identified on bank statements.
- Compare cleared checks included in the bank statement with the number of checks written.
- Ensure that cleared checks contain signatures of individuals authorized to sign checks.
- Bank accounts should be established and require two signatures.

### Receipts

- From the check register or other accounting records, schedule each deposit (use of spreadsheets is helpful).
- Trace deposits to cash collection documentation and prepared cash receipts.
- Trace deposits to bank statements to ensure agreement.
- Ensure that receipts are present for deposit in a timely manner by reviewing the dates of prepared cash receipts with the date 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).
- Trace checks to supporting documentation such as invoices, receipts, approved expenses related to fundraisers, or other reasonable explanations.
- Review the canceled check to ensure agreement of payee name, endorsement, and check amount.
- Bank withdrawals for the purpose of establishing a change fund for an event, confirm that the change fund was later re-deposited.

### Fundraisers

- 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
- Determine whether fundraiser requests were prepared and submitted to the principal for each fundraiser.

### Miscellaneous

- Inventory remaining check stock to confirm that all checks are present and sequential.
- Confirm that check stocks are retained in a secure place when not in use.
- If any voided checks, make sure they 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).
- Ensure that sales tax reports were prepared and filed timely.
- If IRS 990 form was filed, review for reasonableness.