

Date: August, 2017

To: Parent Groups, Principals, Booster Clubs, Coaches and Activities Directors

From: Randy Anderson, Director of Business Services

Re: Accounting Guidelines

To be in compliance with State Statutes and regulations and with accounting procedures required by our external auditor, please be aware of the following accounting guidelines. Specific questions should be directed to Building Principals or the Activities Directors at Tartan and North.

- Parent Groups and Booster Clubs are external to the District and are not under the control of the District.
- These groups, clubs and organizations must maintain their own checking accounts with their own tax identification number and their own insurance.
- Parent Groups and Booster Clubs cannot use the District tax ID number, sales tax exemption, or the District insurance plan. Their activities are not covered by District insurance.
- All District programs, athletic and non-athletic, must be financed and accounted for entirely through the District accounting system. Parent Groups and Booster Clubs are not permitted to pay vendors directly on behalf of the District.
- Parent Group and Booster Club funds that are to be used in support of a District program must first be donated to the District by using the District Contribution Form. These funds will then be accepted by the School Board as a donation and deposited in an appropriate District fund and account. At that point the Principal or Athletic Director and Coach in consultation with the Parent Group or Booster Club officials will make whatever purchases are necessary out of District accounts.
- It is extremely important that outside funds and District funds **NOT BE** commingled. The District is required to have a clean audit path for all funds used to support District programs.
- Any equipment purchased and donated becomes the property of the District.
- Any purchase made on behalf of the District must follow appropriate state-mandated purchasing rules. External groups cannot solicit bids on behalf of the District.
- All purchases made must be in compliance with Title IX, and equity among programs must be maintained.
- When events are held at any District building sponsored by any Parent Group or Booster Club the District requires a Certificate of Liability Insurance.
 - ISD 622 must be listed as an additional insured. (the insurance carrier will know what is needed).
 - Additional Insured should be listed as ISD 622, 2520 12th Ave E, North St Paul, MN 55109.
 - Minimum General Liability coverage of \$1.5 million is required. You may either provide coverage in the amount of \$2 million or \$1 million dollars with an additional \$0.5 million umbrella/excess amount.

On behalf of District 622, I want to thank all of the Parent Groups and Booster Clubs for their continued support of our District activities. The guidelines stated above are not intended to be punitive but rather to protect all parties and to maintain compliance with relevant accounting guidelines.

4. Whenever it is practical, the organization should establish a separation of duties as a mechanism of supporting its officers. This separation may entail the following
 - a. A designated officer, other than the treasurer should initial and sign each invoice or request for payment.
 - b. The bank statement should be mailed to the president of the organization and passed on to the treasurer to reconcile and create reports for the membership or leadership team.
 - c. All fundraising activities and donations should be approved by the membership or leadership team.
5. The treasurer or bookkeeper should prepare an annual financial report for the membership. This report should include the beginning and ending balances of the organization's accounts, the ending checking account and investment balances, the total amount of receipts by payer, a list of payments by vendor, with the amounts and purpose of the expenditure.
6. Should the organization hire its own employees or contract for outside services, the organization is responsible for the filing of the applicable year end forms including W-2 or 1099 forms. Under no circumstance should the organization directly contract or make payments for services from school district employees. To do so skirts tax obligations, the school district's contract approval procedure, and the organization's due diligence responsibilities.
7. The organizations should consult with a CPA firm familiar with non-profit entities' reporting requirements to ensure compliance with federal and state reporting requirements. This allows the organization to maintain its tax exempt status and protects its officers and members from liabilities.

The school district offers the guidelines and recommendations presented above as an avenue to support organization's management. Each organization may have other procedures in addition to those outlined above. We welcome your comments, questions, or feedback in our pursuit of a strong partnership for the benefit of our learners.