

SCHOOL DISTRICT 622

ACCOUNTING and OPERATIONS MANUAL

FOR

BOOSTER CLUBS,

PARENT-TEACHER-STUDENT ORGANIZATIONS,

AND

PARENT-TEACHER ASSOCIATIONS



School District 622

NORTH ST. PAUL | MAPLEWOOD | OAKDALE

Ready for tomorrow

Travis Byrne
Janet Doman
Randy Anderson

651-748-7596 tbyrne@isd622.org
651-748-7576 jdoman@isd622.org
651-748-7511 randerson@isd622.org

References: Minnesota Department of Education, "Manual for Activity Fund Accounting."

MSBA & MSHSL "Model Guidelines for Outside Organizations Supporting School Districts."

MN State Auditor Statement

School District 622 School Staff

INTRODUCTION

Booster Clubs and Parent-Teacher Organizations or Associations are organizations that are separate entities from the school district. As such, they have their own federal tax identification number, independent governing board, establish their own policies and maintain their own set of accounting records. They also maintain a separate checking account. For fundraising purposes, these organizations are formed as non-profit entities which must be registered and follow federal and state regulations to maintain their exemption status. These organizations MUST NOT take advantage of or use the school district's tax identification number.

These valuable organizations provide a needed source of financial support for school activities. 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. It is imperative that strict and proper accounting practices are followed in order to ensure this separation.

OUTSIDE ORGANIZATIONS – BOOSTER CLUBS/PTO/PTA

These organizations are created by interested adult groups and managed by adults with various adults as officers. They raise funds through fundraising events, dues payments from adult members or from contributions from other organizations. They may operate concessions at special events and other projects on school property with student help with prior staff/administrative approval. In all cases, adults implement, monitor and control the activities. The adult members of the organization make the decisions.

REQUIRED NOTIFICATION TO THE DISTRICT – ORGANIZATIONS IN GOOD STANDING

1. The names of the organizations' officers and contact information including: home and email addresses and current phone number should be submitted to the school office at the beginning of each school year and/or when there is a change in the officers.
2. Name of financial institution where the organization maintains its checking account.
3. Names and contact information of the organization's check signers.

AFFILIATION REQUIREMENTS

The following guidelines ensure a great working partnership between the school district and the booster clubs, PTA, and PTO organizations.

1. The organization's income must not be from students. Collecting dues or other fees from students makes the organization resemble a school district sanctioned student organization.
2. Organizations running non-school sponsored events should have separate insurance policies to protect the organization and its members.
3. Use of school district kitchens will be made in coordination with the Child Nutrition department to ensure compliance with the Minnesota food code and Ramsey/Washington County licensing protocols.
4. Use of school district facilities will be made in coordination with the school secretary where the event will be held. Please note that certain requests may need to be referred to the Community Education Facilities Scheduler.
5. To donate funds or real property to the school district, the group will bring the gift to the school district official with a written statement describing any restrictions on the use

of the gift. The gift will go to the school board for acceptance of the gift and any accompanying restriction(s). When accepted, the gift becomes the sole property of the school district. The school board may decide to not accept the gift and it will then be returned to the group.

6. The school district controls the entire employment process: authorizing a position; hiring; employment; and termination. If a group offers a gift of funding for a specific school district staff position, the position must be approved by the school district and the funds deposited with the school district prior to the start of the hiring process. The group will not participate or influence any portion of employment process. A gift and subsequent hiring of the position for the school year does not imply an ongoing authorization of employment for future school years. The school board can decide at any time to discontinue the position.
7. Groups wishing to purchase equipment and other supplies for the school district must gain prior written approval from the appropriate staff member and/or administrator. The process for this transaction, after gaining the appropriate approval, is to donate the funds for the purchase to the school district with the specification of the item to be purchased. The school district will comply with the Uniform Municipal Contracting Law (M.S. 471.345) when ordering the item and have it delivered to the school district.
8. All donations or purchases of technology will be done in collaboration/consulting with the school district's Technology Department.
9. All volunteers must be officially approved by school staff/administrator. This approval includes all volunteer coaches for extracurricular activities controlled by the school board.
10. Groups will not be allowed to hire a person who then "volunteers" his/her time to the school district. All paid positions will be employees of the school district and the process described above will be followed.

RECOMMENDED PROCEDURES

The following management and accounting guidelines are recommended for booster clubs and parent-teacher organizations or associations.

1. Information regarding the financial activities of the organization should be maintained in an organized and easily accessible format. This information should include receipts, the source of the receipts, expenditures including the payee's information and description of the purchase or service provided, and beginning and ending balances.
2. Expenditures must be deemed necessary for the organization's fundraising activities and for the management of the organization. No school district related expenses may be purchased or paid for directly by these organizations. The school district will make direct purchase and receive donations for the purchase from the organization wishing to subsidize the expenditure. Expenditures for school district equipment, stipends for school district employees, coaches' wages, payments for bus trips are examples of expenditures that must not be directly made by these organizations.
3. While school district employees may be members of these organizations, they must not be signers on PTA/PTO/Booster Club bank accounts. The organizations' checkbooks or funds must not be housed on school district property nor should it be in the possession of a school district employee.

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.