

Edgefield County School District



Parent Organizations Handbook

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Introduction

The Edgefield County School District Board of Trustees appreciates the time, effort, energy, and financial support that parent organizations provide to the staff and students of the district. As a result, the board encourages administration, staff, and employees to support and accommodate the activities of these

groups so much as they contribute to and provide benefit to the district. In this regard the Edgefield County School District Parent Organizations Handbook was developed in collaboration with parent organizations to provide a framework which outlines policies relative to parent organizations operations, reporting requirements, and school relations.

In addition, the handbook contains forms that may be used by booster organizations to conduct general business functions such as record keeping, fundraising, etc. The Edgefield County School District Parent Organizations Handbook should serve as a quick and handy reference for parent organizations by providing guidance and clarifications on board policies and procedures.

Relations with Parent Organizations Policy

The Edgefield County School District Board of Trustees has established a Relations with Parent Organizations Policy and Administrative Rule. A copy of this policy (KBE) and Administrative Rule (KBE-R) can be found in this handbook. (See Exhibit 1). All parent organizations, including but not limited to

PTO's and booster clubs are required to adhere to the provisions of the policy and administrative rule. As such, highlights of the policy and administrative rule are presented in this handbook, as well as, forms that may be used to facilitate compliance with its contents.

Principal's Responsibilities

The principal (or appropriate department head) shall have overall responsibility to coordinate parent organizations and activities as they relate to or reflect upon the school, and to ensure compliance with all Board policies relating to parent organization activities and reporting procedures.

In this regard, the principal (or appropriate department head) may designate an individual employee to act as a sponsor to work with any particular parent organization on an activity-by-activity basis. Such designee shall be familiar with and observe all policies of the Board relating to parent organizations. It is

the duty of such advisor to coordinate and ensure adherence to Board policy. However, the group will be operated by the members.

The principal (or designee) must serve as a non-voting member of the executive committee of all parent organizations and attend meetings regularly. This will help ensure continuity of parent organization functions or activities from year-to-year.

The principal must require that the parent organizations operating at the school complete an “Outside Organization Registration Form” no later than September 30th of each year. The documentation required with the submission of the form includes a copy of the by-laws, current budget, current bank statement, and year-end financial report for the prior year. These forms can be found in the Exhibits section of this handbook. In addition, the principal must maintain a file of all the preceding items in a central location at the school.

The principal (or appropriate department head) must approve all fundraisers, review the annual financial report, and randomly review bank statements. In addition, each principal will approve the formation and operation of all parent organizations and reserve the right to disband a booster organization if it is not operating in the best interest of students and the school’s instructional and extracurricular programs.

Parent Organization Operations

Parent organizations can only receive funds through dues or fundraising activities.

The officers are responsible for recommending fundraising activity programs to its membership. These activities shall, in general, contribute to the educational/extracurricular experience of students and shall add to the school’s instructional program or extracurricular philosophies.

All parent organizations shall serve as a support group for the advancement of the school or departmental objectives. Under no circumstances shall parent organizations operate in opposition or careless disregard of Board policies and procedures.

Bylaws

All parent organizations shall have written bylaws, passed by its members, which shall set forth the following in general terms:

- Name of organization
- Purpose of the organization

- Basic policies of the organization
- Membership Dues and Requirements
- Relationship if any the organization holds with any national or state organization
- Officer selection, election procedures and duties
- Procedures for notifying members of meetings
- Schedule of minimum proposed meetings
- Determination letter verifying exempt status, if applicable
- Methods of maintaining the financial records of the organization
- Principal or designee must serve as a non-voting member of the executive committee
- Financial reporting requirements
- Audit requirements

In addition, every effort shall be made to coordinate the above criteria with any state or national parent organization requirements to avoid duplication and a double burden on parent organization groups.

Furthermore, a copy of the bylaws shall be kept on file in the principal's office and other designated central office locations.

Annual Reporting Requirements

Each parent organization is required to complete an Outside Organization Registration Form. Names, phone numbers and email addresses of each officer are to be included on the registration form.

The registration form should be reviewed and approved by the school principal and updated by the parent organization during the year if any officers are elected and/or terminated after the beginning of the school year. A copy of the Outside Organization Registration form is included in the Forms Section of this handbook.

Parent organization groups should prepare a budget each year at the beginning of the school year. No fundraising activities can be approved without a budget. The budget shall be submitted to the principal (or designee) and kept on file at the school.

In addition, each parent organization group should establish an audit/finance committee. The financial records and books of the group should be audited at least annually. The Internal Auditor of the Edgefield County School District shall have the right, but not the responsibility to conduct audits from time to time.

Organizational Structure

It is good practice to incorporate as a nonprofit organization, obtain the appropriate 501(c)(3) designation, and register with the South Carolina Secretary of State's Office. If a parent organization group chooses not to file for tax exempt status, it shall be responsible for adhering to all applicable state and federal regulations concerning non-profit groups.

PTO/PTA/Booster organizations are sales tax exempt only if the organization has filed and received tax exempt status under 501(c)(3).

Bank Accounts

All parent organizations must establish a bank account with its own distinct tax identification number.

The federal identification number of the Edgefield County School District or the social security number of an individual officer cannot be used as a tax identification number for the parent organization's bank account.

All checks of any parent organization must be signed by at least two officers (generally the vice-president and the treasurer) of the parent organization. The principal should not be a signer for any parent organization group.

In addition, under no circumstances should parent organization monies be commingled with the school's general fund monies. The Edgefield County School District and each school shall assume no liability for lost or stolen funds.

Each year when new officers are elected, financial files should be transferred to the new treasurer and signature cards should be updated at the bank.

The bank statements should be mailed to the President for his/her review and submitted to the treasurer for reconciliation each month. Bank statements and bank account reconciliations should be available at any time for review by the principal (or designee) and executive officers of the parent organization. The principal (or designee) should request to see the bank statement and reconciliation at least semi-annually. A copy of a Bank Reconciliation Form is included in the Forms Section of this handbook.

Each parent organization should request that copies of the canceled checks be included with the bank statement. In this regard, if possible, copies of both the back and front of the checks should be obtained.

Bank deposits should be made in a timely manner. Balances in checkbooks should be current and "running balances" should be maintained.

Efforts should be made to collect on checks which are returned for non-sufficient funds. In addition, no debit cards are allowed to be used with your Parent Organization bank account.

Surety Bonds

It is strongly recommended that the officers of parent organizations be bonded. The amount of surety bonds obtained may vary between the different organizations. However, it is recommended that the maximum fundraising level be covered or at a minimum, at least \$10,000 coverage should be obtained for each officer.

Fundraising Activities

It should be noted that no fundraiser should be held for the purpose of raising money for personal gain or for non-school related activities at school or during school hours. All proceeds obtained from fundraisers should be used for the benefit of the students and the school. Students are not to go door-to-door throughout the community selling items to raise money for school projects.

In addition, all fundraising requests must be submitted to the principal (or appropriate department head) for preapproval. The principal must respond to all fundraising requests within five business days.

The Fundraising Financial Report should be completed by the parent organization for all fundraisers prior to the beginning of any fundraiser. A separate form should be prepared for each fundraiser.

The form requires the principal's signature of pre-approval before a fundraiser can be held. The beginning date (of the fundraiser), estimated end date, and the purpose of the fundraiser should be listed on the form. An estimate of the projected income and expenses, and the projected profit associated with the event is to be provided. The projected profit percentage is to be calculated, and the contracted rate of return, which is the profit percentage that the vendor indicates the fundraiser will make on the fundraising event, is to be shown.

At the end of the fundraising event, the Fundraising Financial Report should be completed and turned into the principal. The Fundraising Financial Report reflects the following:

- summarizes the actual income and expenses
- shows the related profit or loss associated with all fundraising events
- calculates the actual profit percentage
- compares actual profit percentage to the vendor's projected rate of return

The Fundraiser Financial Report Form should be used for, but not limited to, the collection of revenue for all approved fundraisers. Because the Fundraising Financial Report provides an important analysis of fundraising efforts, the form should be completed for all fundraisers held during the fiscal year. These forms should also be included in the accounting records with supporting documentation and available for review during the auditing process. A copy of a Fundraising Financial Report Form is included in the Forms Section of this handbook.

In addition, copies of other forms that are very useful for fundraising activities are also included in the Forms Section of this handbook. They include an Events Proceeds Form that can be used to record the revenue generated at a specific event, as well as, reflect the funds issued to make change. Additionally, the Product Sales Reconciliation Worksheet, Coupon/Booklet Reconciliation Form, Fundraiser Completion Report Form, and Silent Auction Bid Sheet are documents that can be used to analyze fundraisers held and highlight or explain variances from projected results. Furthermore, we encourage all groups to complete all fundraising activities by the end of April each year. Also, all bills should be paid in full by the end of May each year.

Raffles

Only qualified nonprofit organizations are eligible to conduct raffles.

- Must have filed with the Secretary of State (SCSOS)
- Must be a tax exempt organization
- Submit annual raffle form with \$50 fee to SCSOS
- May hold up to 4 raffles per year
- 90% of net receipts of raffle must be spent on charitable purpose

More detailed information about raffles can be found on the SC Secretary of State website under the Raffles section. (www.sos.sc.gov)

At the completion of each raffle a Raffle Report should be completed. These reports should be maintained with the parent organization's financial records and presented to the officers, principal, and membership at large for review. A copy of a Raffle Report Form is included in the Forms Sections of this handbook.

In addition, if a participant in a raffle receives a prize of \$600 or more a 1099 Form should be issued to the individual. Consequently, the social security number of the person must be obtained. To assist in the accurate collection of this information a Form W-9, as well as instructions for its completion, is included in Exhibit 3 of this handbook.

Sales Tax

PTO/PTA/Booster Organizations are sales tax exempt only if the organization has filed and received the tax exempt status from the IRS under 501(c)(3).

Financial Requirements

Budgets

Annual budgets should be prepared and approved by all parent organizations to identify projected sources of income and proposed expenditures. A copy of a Proposed Budget Worksheet is included in the Forms Section of this handbook.

Cash Receipts

It is recommended that the PTO/PTA/Booster Remittance Report be utilized by parent organization members to help track and summarize all monies collected and remitted to officers. A copy of this form is included in the Forms Section of this handbook.

Any monies that have not been received by year end should be recorded on the Outstanding Accounts Receivable Balances Form. However, great efforts should be made to obtain all funds due to the parent organization prior to the end of the school year.

Cash Disbursements

All disbursements should be properly approved, documented by receipts or invoices, and clearly identify what was purchased and from whom. In addition, an approved Check Request Form should be on file for all disbursements made. A copy of a Check Request Form is included in the Forms Section of this handbook.

If certified checks are utilized, supporting documentation in addition to a copy of the check used to purchase the cashier's check (do not use cash) should be maintained.

Checks should generally be made payable to a company. Checks written to individuals must be endorsed by the individual. Checks should be signed only after they are completely prepared. All checks are to be accounted for including voided checks. The checks which have been voided should be retained for review. Unused checks should be properly controlled and safeguarded.

Invoices should be paid on a timely basis and preferably within the fiscal year. If there is an amount owed to a vendor after the end of the fiscal year, the name of the vendor and the amount owed should

be listed on the Outstanding Accounts Payable Balances Form. A copy of the preceding form is included in the Forms Section of this handbook.

Inventory

If perishable goods are sold by the parent organization, the vendor should be notified immediately of spoiled and/or damaged goods for replacement or credit. These goods should be accounted for on the fundraiser report. Documented evidence should be made for future reference.

Ledger Sheets

Ledger sheets should be used to record all cash receipts and disbursement transactions. A copy of a ledger sheet is included in the Forms Section of this handbook.

Quarterly Financial Reports

Quarterly financial reports (Treasurer's Reports), including interim status of fundraisers and bank reconciliations, should be prepared by the treasurer and submitted to the officers. These reports will also be submitted to the membership at large during meetings and included in the official minutes of each meeting. A copy of a Treasurer's Report is included in the Forms Section of this handbook.

Annual Financial Statements

Annual financial reports shall be submitted to the organization's officers, membership at large and to the principal. The annual financial statements should reflect all revenue generated and expenditures incurred during the fiscal year.

Audit Reports

A copy of each parent organization's audit report should be presented to the organization's membership and the Principal. Guidelines and forms relative to conducting the audit, as well as, preparing the annual financial statement are included in the Forms Section of this handbook.

A copy of the audit report should be presented to the officers, members at large, and the principal. In addition, the Principal should send a copy of the audit report to the Internal Auditor at the Edgefield County School District for permanent filing no later than September 30th of each year.

Assistance and Training

If you have any questions relative to the policies and procedures contained in this handbook, please contact the Finance Office at the Edgefield County School District. (803-275-1122)

In addition, annual training sessions on parent organizations policies and procedures will be conducted by the Finance Office of the Edgefield County School District. It is mandatory that an officer from each organization attend the annual training sessions.

Forms

The forms on the following pages may be used when necessary to provide supporting documentation for parent organizations. These forms are provided only as guidelines and do not have to be used if the forms that are currently used provide the same information.

Please note however that it is the responsibility of the parent organization to follow all board policies and guidelines.

The forms listed below are included in this handbook. These forms are also available online under the Parent Organization Tab on the Finance Page of the Edgefield County School District's website.

Outside Organization Registration Form
Bank Reconciliation Form
Fundraising Financial Report Form
Event Proceeds Form
Product Sales Reconciliation Worksheet
Coupon/Booklet Reconciliation Form
Fundraiser Completion Report Form
Silent Auction Bid Sheet
Raffle Report Form
Proposed Budget Worksheet
PTO/PTA/Booster Remittance Report
Year-End Accounts Receivable Balances Form
Check Request Form
Year-End Accounts Payable Balances Form
Ledger Sheet
Treasurer's Report Form
Guidelines and Questions on Conducting an Audit for Parent Organizations
Financial Statement for Audit Report Form
Athletic Concession Report