



Outside Organization Procedures

Who is an outside organization?

- Any support organization established to promote school programs or complement student groups or activities.
- Examples: Parent organizations, athletic organizations, booster organizations, etc...

Formation of Organization

- ALL ORGANIZATIONS MUST BE PREAPPROVED
- Once approved, the organization must prepare and submit the following:
 - a. Organization's bylaws and operating procedures
 - b. Officer information
 - c. Mailing address
 - d. Employer Identification Number (EIN)
 - e. Federal Tax Exempt Status, if applicable
 - f. Proposed budget
 - g. Articles of Incorporation filed with Alabama Secretary of State (Recommended)

Meetings/ Record Keeping

- Meeting should be conducted in open meetings.
- Notice should be published at the campus prior to meeting date.
- If a representative of the school is not present, notification of any official action should be submitted to the school representative
- Records should be kept for 3 years for audit purposes

Administrative Guidelines

Relationship with School Board

1. Must adhere to various district policies and guidelines
2. Only approved organizations shall be allowed to use the school name and/or facilities
3. Fund-raising at any school site is directly under the control of the school administrators
4. Superintendent has the authority to revoke the organization's authorization to conduct activities in the district

Laws

1. Must adhere to all federal, state and local laws. It is the responsibilities of the organization

Training

1. All officers must go through an annual orientation with the Superintendent/ CSFO

Contracts/Loans

1. Organizations cannot borrow money in the school's or local board's name.
2. Any loan obtained by the organization would be a personal loan by individuals signing the note.
3. Organization cannot enter into any contract on behalf of the board

Administrative Guidelines

Fundraising

1. Fund-raising should fall within federal, state, and district guidelines and shall be for the purpose of supporting the school program
2. Tax-exempt organizations may not require people to participate in fund-raisers. Revenues cannot be distributed based on participation in fund-raiser. (person cannot be denied for not participating)
3. Organizations should exercise extreme caution related to raffles and other games of chance
4. Selling raffle tickets or other games of chance is illegal because it is a form of gambling.

Reporting Requirements

Fidelity Bond- must provide proof of a fidelity bond for the president and the treasurer on an annual basis

Annual Audit

1. At the end of the fiscal year, an audit of the organization's financial records should be conducted.
2. Audit can be performed by an external auditor or internally by individuals who are independent from the day-to-day financial activities

Filing Requirements

1. Financial records- records should be available to the school's auditors upon request

IRS Form 1099 Requirements

1. All payments in excess of \$600 made to an individual must be reported on form 1099.
2. All school district employees should be paid through the district's payroll and not issues a 1099.

Sales Tax Information

1. Organizations are not normally exempt from sales tax and are not allowed to use the District's sales tax permit number.

Important Forms

APPENDIX A- SDE Guidelines for School Related Organizations

APPENDIX B- Registration and Approval Form

APPENDIX C- Officer Information Form

APPENDIX D- Bank Account Information

APPENDIX E- Fundraising Application Form

APPENDIX F- Booster Club and Parent Organization Fundraiser Reconciliation Form

APPENDIX G- Sample Audit Program

APPENDIX H- Outside Organization Yearly Submission Checklist

APPENDIX I- Contact List