

**Administrative Procedures for Policy #5700 (Administration)  
Regarding the Financial Operations of School-Related Organizations**

I. Definitions

- A. School-related organizations – for the purposes of this policy, organizations, groups, and clubs which are under the fiduciary control of the Superintendent or designee
- B. External organizations – organizations, groups, and clubs which are outside of the fiduciary control of the Superintendent or designee and possess a separate employer identification number as provided by the Internal Revenue Service
- C. School Activity Fund (SAF) – funds that are owned, operated, and managed by the student body under the guidance and/or direction of the principal, vice principal, and staff members of the school. These funds promote the general welfare, education, and morale of the students. In addition, they finance the recognized extracurricular activities of the student body. The funds are held in a bank account which has been established in the school's name under the direction of the Board of Education of Calvert County Public Schools (CCPS). SAF transactions are processed, recorded, monitored, and audited according to CCPS guidelines.

II. Student Organizations

A. Extra-curricular and Co-curricular Groups

- 1. The student members and faculty sponsor(s) organize these groups while the school principal acts in a fiduciary capacity over the group's funds, if any exist. The school's accounting records will contain a separate account to record the financial operations of each student organization. Finances must be accounted for through the SAF utilizing procedures published by the CCPS Department of Finance.
- 2. All funds received and expended must be under the control of the school principal. Coaches, sponsors and other school employees cannot maintain a separate bank account that supports, or benefits from, a school extra- or co-curricular activity. Funds received to support an extra- or co-curricular activity at a school from sponsors, vendors, or other sources must be included in the SAF under the fiduciary control of the school principal. Funds from ticket sales and other sources may be recorded in one or more separate accounts for a particular activity in the school's financial records.
  - a. Extra-curricular and co-curricular program money includes admission money, concession money, and all other money collected during an extra- or co-curricular activity unless specifically approved in advance by the school principal under special circumstances.

- b. Principals may allow for vendor activity at extra- or co-curricular activities with profits distributed between the school and groups as approved by the principal.
  - c. Wherever possible, payments to the school should be made by check.
  - d. Procedures detailed in the CCPS accounting manual should be followed when sponsors/coaches collect money for an activity or event.
  - e. The accounting of concession funds after collection should be handled as required in the CCPS accounting manual.
- B. Some organizations consisting of students from the school may not be CCPS entities. For example, community recreation leagues may consist partly or completely of the school's students, but they operate under other entities that are not under the control of the school. Although the activities of these organizations may benefit the school's students, these groups are not school-related organizations. In order to do financial business with the school, these groups must:
- 1. Have a separate employer identification number (EIN);
  - 2. Have a separate mailing address, and maintain their own records and accounts;
  - 3. Not use the full name of the school in their title;
  - 4. Receive advance approval from the principal when the group wishes to make a donation to the school. The attached form should be used for this purpose.

### III. Parent Organizations Associated with National Organizations

- A. Parent and parent/teacher organizations provide a vital role in the education of students. Parent and Parent/Teacher organizations Chartered by a State and/or National affiliate maintain "good standing" by following specific financial, organizational and record keeping requirements detailed in their bylaws. The PTA is the most common parent organization. This group has a national organization that serves the individual school organization. The national organization publishes guidance for the financial operations of the individual school organizations.
- 1. These organizations must have their own employer identification (EIN) in order to maintain their own records and accounts outside the control of the school.
  - 2. Calvert County Public Schools (CCPS) employees working in their role as parent organization officers and/or participants are not acting for the school system. CCPS employees should refer to Policy 1740 Regarding Ethics for guidance on avoiding conflicts of interest and maintaining appropriate boundaries between employment and parent organization responsibilities.
  - 3. These organizations may be required to provide evidence of their active status as affiliates in good standing of their national organization.

### IV. School-Related Booster Organizations

Business 5700.1

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- A. Booster organizations are often formed to support the operations of extracurricular activities in a variety of ways. Booster groups that do not meet the criteria in section V below are considered school-related booster organizations and are subject to the following requirements:
1. All funds must be handled through the SAF.
  2. Calvert County Public Schools (CCPS) employees working in their role as booster organization leaders and/or participants should refer to Policy 1740 Regarding Ethics for guidance on avoiding conflicts of interest and maintaining appropriate boundaries between employment and booster responsibilities.
  3. Parents and community members working as part of a booster organization are considered CCPS volunteers and are subject to relevant policies and guidelines (See Policy 8123 Regarding Parent/Family/Community Involvement).
  4. All activities requested to be performed by the booster organization must be approved in advance by the school principal. This includes on and off-site activities.
  5. Booster groups donating funds raised or solicited outside of the school (ex: fundraisers held off school property, donations from private business) must provide a written statement about how the funds were generated. (ex: date of fundraiser, type of fundraiser, gross proceeds, net profits; the type of business). A form is attached for this purpose.

V. External Organizations

- A. External organizations, such as independent parent and booster organizations, must have a separate employer identification number (EIN) in order to maintain their own records and accounts outside the control of the school.
- B. Before the school principal allows these organizations to operate on behalf of the school's students, the organization must:
1. Provide documentation that they have obtained an employer identification number from the IRS;
  2. Provide evidence of an IRS Determination Letter establishing their status as not-for-profit;
  3. Maintain documentation that they will collect and remit Maryland Sales Tax as appropriate;
  4. Provide to the CCPS Department of Finance proof of a fidelity bond for the treasurer and officers;
  5. Agree to not provide any payment or benefit to a CCPS employee (or family member of a CCPS employee);
  6. Provide evidence of General Liability Insurance with limits of at least \$1,000,000 each occurrence, \$2,000,000 annual aggregate for Bodily Injury

and Property Damage, and including coverage for the contractual liability assumed under any agreement concerning the use, operation of maintenance of the buildings or grounds of CCPS;

7. Secure an independent audit at least annually and at a change in signature official(s), at the organization's expense;
8. Not use the CCPS Federal Employee Identification Number, the CCPS/School Sales and Use Tax ID Number, or the CCPS Sales Tax Exemption Certificate without CCPS approval. If approval is received, the use of the FEIN or Sales Tax ID is only authorized when transactions are handled through the SAF;
9. Develop bylaws that detail financial operations in accordance with this policy; and
10. Agree that, at the Principal's discretion, activities of a booster organization may come under the control of a school principal and funds collected shall be accounted for through the SAF if:
  - a. The organization collects admission to a school function;
  - b. The organization operates a concession operation on school property at a school function;
  - c. The organization collects parking fees for a school function;
  - d. The organization operates a training camp that includes students of the activity it supports; or
  - e. The organization operates an exhibition or competition that includes students of the activity it supports.

- C. Calvert County Public Schools (CCPS) employees working in their role as booster or parent organization leaders and/or participants are not acting for the school system. CCPS employees should refer to Policy 1740 Regarding Ethics for guidance on avoiding conflicts of interest and maintaining appropriate boundaries between employment and athletic booster responsibilities.

#### VI. Resolving Disputes

- A. In the event that a disagreement cannot be resolved at the school level, written communication should be made to the Assistant Superintendent of Administration for resolution.

#### VII. Reference

- A. Guidelines from the State of Alabama Department of Education were used in the development of these procedures.

Monetary Donation Form

Date: \_\_\_\_\_

Name of Group: \_\_\_\_\_

Amount of Donation: \_\_\_\_\_

Source of Funds: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Official of Donating Organization

\_\_\_\_\_

Principal