

SCHOOL ACTIVITY FUND TRAINING SESSION

Introduction

- Background
- Purpose & Objective
 - Introduce changes and additions to the new "Redbook"

Budgets

- The activity account budget should be on the same budget cycle as the school district
- Each club, organization, or activity account prepares a tentative activity account budget for the next year on (F-SA-4A)
- Due to Principal April 15th
- Principal prepares "Principal's Combining Budget" (F-SA-3)
- Only Form (F-SA-3) is to be submitted to the district finance officer by May 1
- Board approves tentative budgets by the end of May
- Within 30 days of school starting the Principal shall adopt the board approved tentative activity fund budget

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District Activity Funds

- Definition: Non-student generated funds collected at the school level to be used for operating costs.
- What are "Operating Costs"?
 - Operating costs are the expenses which are related to the operation of a school district, or to the operation of a device, component, or a piece of equipment or facility. They are the cost or resources used by a school district just to maintain its existence.

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District Activity Funds Cont.

Examples of Operating Expenses/Costs

- Textbooks, required technology, instructional materials, office supplies, school forms, postage, copy paper, copiers (lease or purchase), furniture, cell phones, software, software agreements, hand held radios, carpet, scoreboards, school signs, etc. *(there are exceptions)
- Safety related equipment and supplies *(there are exceptions)
- Repairs and maintenance to the building and grounds, or gym floor, and fields
- Structural additions or improvements to the building and grounds
- Items permanently attached to a structure or a school facility
- Professional development and staff development expenses

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District Activity Funds Cont.

Funds that are not raised by students or parents can be sent (swept within 60 days of receipt) to the district finance department, and recorded as District Activity Funds. This money can be spent on operating expenses listed above.

What funds must be sent to the district as District Activity Funds?

- Locker/parking fees, class fees, textbook rental fee, lab fee, technology fee, or any other fee that is collected for general instruction
- Lost textbook fees
- Donations, if donated specifically for instructional materials, or an operating expense
- Staff generated fundraiser for operating expenses

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District Activity Funds Cont.

What funds can be sent to the district as District Activity Funds?

- School store/Bookstore (if not operated by students or student group)
- Gate receipts
- Picture profits
- Disability determination checks
- Advertising revenue in the gym or on fields (if not solicited by students or parents)
- Any other funds that are not generated by students or parents selling or soliciting

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District Activity Funds Cont.

- Funds that are generated by students or parents that are for student/group/club/team activity, shall stay in the school activity fund account and spent for the purpose it was raised for, and benefit the group that raised the funds.

What funds shall stay in the School Activity Fund?

- All student fundraisers, if the students or parents are involved by selling or soliciting
- Field trip, class trip, athletic trip money
- Club dues or money designated for a student group/team/class or club to support their activity
- Hospitality funds – these funds may be raised by staff contributions, staff lounge vending, or donations received specifically for the staff account.

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DAF Procedures

- All money will be still be collected at the school level and deposited into the school activity fund checking account. Follow all internal controls as required in the Redbook.
 - All money will be receipted into the existing activity account where you normally receipt the money.
1. School must have at least one activity account specified as a district activity fund Sweep account.
 2. Within 60 days of receipting funds, the principal designates the District Activity Fund (DAF) amount needing to be transferred out of the receipted activity fund account, to the appropriate DAF activity fund account.
 3. At the end of each month, the school treasurer will write one check to the district office for the total monies transferred into a DAF activity fund account. The check will zero out any balance that was initially transferred to the DAF activity fund account; this is known as "sweeping" your funds to the district.
 4. The "District Activity Fund Monthly Submission Form" shall be submitted to the district office along with the check (F-SA-16).
 5. A District Purchase Order will be created to expend the DAF money.
 6. District Activity Fund monies carried over at year end, are subject to board policy.

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Receipts

- All collected money is to be turned in to the bookkeeper daily
- Always write pre-numbered receipts the day the money is collected and turned in to the bookkeeper
- Bookkeeper shall never collect money from a parent or student nor shall the bookkeeper open the mail
- Teachers/Sponsors shall use the Multiple Receipt (F-SA-6)
 - Use with checks that come in the mail
 - Students sixth grade and above must sign (or print) the form
 - Two part Multiple Receipt form is suggested
 - A copy of the Multiple Receipt is to be given back to the person turning the money in along with a pre-numbered receipt
- Upon receipt, endorse all checks "For Deposit Only"
- Receipts shall be filed monthly in numerical order with supporting documentation attached to the receipt stub.

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Receipts Cont.

- Each school only has one interest earning checking account in a board approved bank.
 - Only exception is if the school has charitable gaming
 - Investment funds must be reported on the Monthly/Annual Financial Report
- Deposit Slips
 - Checks have to be listed or make copies of all checks
 - Shall note the receipt numbers on the deposit slip
 - Shall have two party verification, initials of person verifying
- All monies should be deposited daily
 - If daily receipts <\$100, may be held in a secure location until \$100 is collected
 - Money collected after school business hours for evening events shall be placed in a locked school safe or night depository/night drop and processed the next business day
 - At a minimum deposits must be made weekly if <\$100 is collected

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Receipts Cont.

- School is not a bank, no cashing of personal checks or loaning money to anyone
- Charging a return check fee is permissible
 - Has to be advertised, & may use check collecting agencies
- NSF checks shall be re-deposited on a separate deposit slip and annotated as a negative receipt
- No grant monies, day care fees, adult ed. fees or tuition fees shall be deposited in the activity fund account
- All student fees and charges shall be adopted by the board
- No dues, fees, or charges are allowed by external account/booster organizations
- Maintain proper segregation of duties, (See Appendix A)

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Fundraising

- The Fundraiser Approval (F-SA-2A) is to be prepared before any fundraiser begins
 - Board must approve school-wide fundraisers
 - Principal approves all fundraisers and use of funds
 - Funds raised must be used for the purpose indicated
- **Fundraising is defined as an organized activity of soliciting and collecting money for school or student organizations**
- Fundraising activities are to benefit students
 - Not to cover staff payroll
 - Not for operating costs
 - Not to supplement a staff account
 1. Profits from vending machines used only by staff
 2. Donations from the staff for this purpose
 3. Donations from a third party specified for the staff acct. (in writing)
- Fundraising proceeds must benefit the entire group, no individual student accounts shall be tracked
 - Vendor tracking by student is permissible to offer rewards from vendor

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Fundraising Cont.

- KRS 367.515 requires the Approval Form for magazine sales to be filed with the county clerk as a Miscellaneous Recording
- All fundraisers shall require the Fundraiser Worksheet (F-SA-2B) to be completed and turned in to the principal within one week of the completion of the fundraiser
- **Fundraiser activities such as concessions, bookstores, pencil machines, and other activities involving inventory require the Fundraiser Approval Form (Form F-SA-2A) but are not required to complete the Fundraiser Worksheet (F-SA-2B)**
- Inventory Control Worksheet (F-SA-5)
 - Use for concession sales, pencil machine sales, bookstores
 - Any other activities that keeps an inventory of items for sale
 - Must be prepared monthly at a minimum
 - Use (F-SA-17) each time money is collected for these activities
- Appendix B – Fundraiser Types and Corresponding Forms Needed

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Ticket Sales

- Use pre-numbered tickets for all events that charge admission
- Rotate ticket colors with each event
- Keep unused tickets in a secure place
- Use The Requisition and Report of Ticket Sales (F-SA-1)
- Bookkeeper shall not sell tickets
- Two people required to work the gate
- Person in charge of sales is responsible for the safekeeping of the ticket sales money collected **(the principal can be person in charge of sales)**
- If money is collected after business hours the money shall be locked in a school safe or night deposited/night dropped
- Money is to be given to the bookkeeper the first business day after the event

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Ticket Sales Cont.

- Check for change shall be written to the athletic director or another responsible person
 - Change money can be kept in a secure location till the end of the season and re-deposited on a separate receipt and not comingled with gate or concession receipts
- **An activity account (titled Start-up or Change Fund) shall be created to track all change issued for athletic gate, concessions, and any other events that require start-up change.**
 - **This account will carry a deficit balance until the change is receipted back in at the end of the season**
 - **Activity Fund transfers are not allowed from this account**
 - **Non-paying customers do not receive a ticket**

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Donations

- If the board is going to allow schools to accept donations, they need to establish a written policy allowing this
- The Donation **Acknowledgement** Form (F-SA-18) shall be completed for all donations **of value of \$250 or more**
 - A donation acknowledgement should be sent to donor
 - Cash donations for a specific purpose (restricted) shall be maintained in a separate activity account (if board policy allows)
 - Cash donations for general use (unrestricted) shall be deposited in a general account and be used to support student activity (if board policy allows)
 - **Gift cards are allowed to be accepted from a third party and must be accounted for on (Form F-SA-19 Donated Gift Card Log)**
 - **One form for school and one for staff/students**
- All donations shall be reported at year-end to the board

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Charitable Gaming

- An organization or group may hold a raffle if gross receipts <\$150 and not have an exemption or license. The organization or group may hold up to (3) raffles per year.
 - Gaming includes, Split the Pot, Raffles, Bingo, Wheel Games, and Charity Fund Raising Games of Chance
- Exemption for gross receipts <\$25,000/yr
- License for gross receipts >\$25,000/yr
 - Bingo, Raffles, Pull-Tabs, Texas Hold-em, Poker etc.
- School must have a separate bank account for all charitable gaming receipts (Exemption or License)
- Must use form F-SA-2A to obtain approval for fund raising
- Not considered charitable gaming
 - Sale of items and games of skill such as Dart Throw, Basketball Shot, Golf Putt, Bean Bag Toss, Bean Count, Milk Bottle Throw, Ring Toss, Duck Pond (all players win prize equal to or greater than cost to play), **Cake Walk** and Auctions

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Expenditures

- Must use pre-numbered checks
- No signature stamps, checks shall contain the signatures of the principal (or his designee) and the bookkeeper
 - Designee must have administrative authority
- Treasurer shall be bonded
- Checks shall not be written to "Cash" or to the "Bank" for change or petty cash. Must be written to sponsor or another responsible person
- Schools exempt from paying sales tax
- Employees purchasing items for the school can not be reimbursed sales tax
- Support/booster organizations shall not use the schools tax exempt number for purchases

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Expenditures Cont.

- The Standard Invoice must have a confirmation signature of the payee
- The invoice or Standard Invoice must have a confirmation signature of the person receiving the goods or services before the payment process can continue
- The check number and date paid shall be noted on the invoice
- Paid invoices are to be filed monthly in check numerical order **stapled to the purchase order and check stub**
- Voiding a check
 - Print VOID across the front of the check
 - Cut out the signature portion of the check
 - Reversing entry, negative expense
 - File with monthly records
- Student Refund/Disbursement Form (F-SA-14) (student must sign form)
 - Use this to refund monies to students
 - Use this to disburse funds to students as supporting documentation for an expenditure

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Expenditures Cont.

- **In the case of refunding a student or parent, the bookkeeper can write "check mailed" on the vendor signature line**
- **Outstanding checks shall not be carried longer than 12 months**
- **If a check is issued for a refund to a student or parent, use a Standard Invoice (Form F-SA-8) since you won't have an original invoice**
- **Checks cannot be held for more than three business days prior to mailing or delivering the check**

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Purchasing

- Bidding is a local board's responsibility, like items purchased within the district over \$30,000 must be bid
- All purchases shall be made in accordance with the board's purchasing policy
- A Purchase Order (F-SA-7) is required for EVERY expenditure or reimbursement
- **The principal shall not be the vendor on a purchase order, with the only exception being for authorized travel expenses involving students, (see Travel Reimbursements paragraph 2c)**
- The Purchase Order shall be prepared and approved by the sponsor and principal before the payment is obligated
- Shipping documents shall be initialed and dated by the receiver
- Each disbursement shall be documented by a completed purchase order and an original invoice. If a vendor invoice is not available, the disbursement shall be supported by a Standard Invoice which must be signed by the payee

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Cash Advances & Travel Reimbursements

- Cash advances
 - Allowable only if students are participating in a class trip or club outing
 - Use the **Advance Report (F-SA-9)**
 - Receipts, supporting documents, and unused cash shall be returned by the close of the next business day after the trip
- Travel Reimbursements
 - Comply with board policy
 - Reimburse employees by using the Travel Voucher (F-SA-16)
 - District and school administrators cannot be reimbursed expenses for travel from the activity fund unless students are on the trip

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Payment for Services

- A determination of worker status must be made by the principal and approved by the district finance officer as to whether someone is an employee or an independent contractor
- See the list of twenty common law factors in the Redbook
- The IRS, not the "Redbook", is the authoritative source regarding worker status.
- Independent Contractors
 - Can be paid directly from the activity fund checking account
 - An IRS Form W-9 must be on file at the school
- Employees (extra duties and services)
 - Payment to an employee of the district must go through payroll at the district office
 - The school activity fund shall pay the district office for all payroll related costs

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Petty Cash

- Must have board approval
- Board policy will establish the max amount of cash
- Use a Standard Invoice and write a check to the responsible person to start the fund
- It should be stored in a secure place
- Must have a receipt stating amount and reason for disbursement
- Replenishment of petty cash
- This fund will be closed out at year end
- Petty Cash fund will appear on the MFR
- Personal checks shall not be cashed using petty cash funds

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Credit Cards

- Can be used **only** if allowed by board policy
- Must be kept under lock and key
- Checked out by using the Credit Card Sign-In/Out Form (F-SA-13)
- **No charges on the card without a PO and corresponding itemized store receipt.**
- Employees shall be responsible for reimbursing any charges made without prior approval
- Receipts turned in with the card immediately after the purchase or no later than close of business the next business day

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Fixed Assets

- All items purchased over the district's threshold in value (established by local board policy) shall be considered an asset of the district.
- KDE recommends a threshold of \$5,000
- Workstations/Laptops are not required to be capitalized, unless they meet the district's threshold, but should be tracked for control purposes
- Any technology purchases should be approved by the District Technology Coordinator
- Purchases of fixed assets with school activity funds require notification of the District Finance Officer

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Allowable Expenditures

- Emblems of membership for students who are members of an organization;
- Awards such as merit certificates, trophies, plaques or other means of recognition for behavior, athletic or academic achievement for students;
- Student incentives for scholarship, athletics, specialized area performance, school spirit, involvement, academics and other achievements;
- Equipment, **playground equipment**, supplies, **band instruments**, and materials used by student organization;
- **Athletic field striping, quick dry materials, staff meals from staff generated funds;**
- Expenditures for activities approved on the Fundraiser Approval (Form F-SA-2A);
- Entry fees and other expenses associated with competitions and meetings for student groups;
- Travel expenses and meals consumed by the student members and their adult sponsors **and bus drivers** during official school trip;
- Membership in related organizations for student groups;
- Charitable contributions and donations made with funds collected specifically for that purpose
- Parent/student functions such as open house, back to school bash, parent night, or orientation;

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Allowable Expenditures

- Other allowable expenditures approved by members of the student organization or by the principal and SBDM council for accounts without student involvement;
- Expenses for trainings which are required for sponsors/coaches of a student group;
- **Coach's cards purchased for district employees who are specifically paid for coaching duties;**
- **Promotional Credits from vendors for purchasing equipment and attire must benefit students, not adult coaches and sponsors;**

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Disallowed Expenditures

- Cash awards, gift cards or prepaid credit cards;
- Personal purchases for staff members even with a reimbursement agreement;
- Renovation or maintenance (definition on page 28) of school facilities or buildings;
- Attendance incentives for the compulsory instructional day, unless the incentives are considered instructional, (i.e., instructional field trips, books, magazines or other instructional materials); attendance incentives such as tee shirts, parties or non-instructional field trips shall be funded by non-tax, non-board controlled dollars such as donations from local businesses, external support/booster organizations such as the PTA or PTO.
- Gifts, services, or donations to district employees or external support/booster organizations, unless using staff generated funds, such as proceeds from snack machines in staff areas (not used by students at any time of the day) or money donated by staff for this purpose;

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Disallowed Expenditures Cont.

- Loans to employees, parents, students or sponsors and/or organizations for any reason;
- Any purchase that benefits the adult sponsors or district personnel and not the student organization;
- Payment of an individual's organization dues or fees that do not provide a direct benefit to the students, or group of students;
- Extra compensation or bonuses to district employees whether in the form of cash or gifts;
- **Alcoholic beverages, tobacco products, controlled substances;**
- Furniture for administrative offices;
- Structural additions or improvements to the buildings or grounds
- Books, magazines and memberships not benefiting the students;
- Expenditures related to professional development or staff development;
- Any expenditure prohibited by federal or state law or regulations.

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Disallowed Expenditures Cont.

- **Regular care and upkeep of school property**
- **Payment or reimbursement of costs associated with parents, volunteers, or chaperones participating on school trips (unless the chaperone is required by district policy due to adult/student ratio for out of district field trips).**
- **State tournament tickets and associated expenses for non-students; unless the school's student or team is participating in the tournament.**
- **Fund raising or crowdfunding for an individual's or families personal benefit (bereavement, illness, injury, natural disaster, extreme loss, etc.).**

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Inactive Account Balances

- The student organization should vote on the distribution of the remaining funds in writing
- Funds can not be transferred to an account outside the school
- If the student organization did not designate what to do with the funds then transfer the money to a general account that will benefit all students
- Graduating senior classes cannot have an account in the school activity fund. Follow guidelines above
- An activity account is considered inactive if there is no activity the preceding 12 months
- If an inactive account has a deficit balance the general account shall cover the deficit balance

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Title IX

- **Title IX of the Education Amendments of 1972** is a federal law that prohibits sex discrimination in education programs that receive federal funds.
- The Title IX report must include all expenditures for student athletics including external support/booster organizations, school activity fund monies, SBDM allocations, and grants.
- Ensure appropriate administrative oversight of booster activities. Ensure that written procedures provide for athletic director/principal/board approval for booster organization fundraising and expenditures that benefit all teams.
- Include representative(s) from booster organization(s) as well as the other required members on the Gender Equity Review Committee.
- Meet with booster organizations and other community groups periodically.

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Electronic Receipts & Payments

- Must have board approval and policies and procedures in place before conducting these activities
- The policy should include or the software package that is selected should handle the following:
 - What online banking and electronic activities will be used;
 - Who is authorized to accept electronic transactions;
 - Who will approve electronic transactions;
 - Who will transmit electronic transactions;
 - Who will record electronic transactions;
 - Who will review and reconcile electronic transactions.
- Proper segregation of duties should be maintained for electronic receipts and payments

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Transfers

- Amounts may be transferred between activity accounts only by proper completion of a Transfer Form (F-SA-10)
- Sponsor (of the account money is coming from) and Principal must sign the form before the money is transferred
- No transfers or reimbursements are allowed from the school activity fund
 - To external support/booster organizations
 - To staff accounts
- **If staff or sponsor separates from their school, whether by transferring to another school, retirement, or any other cause, any goods, capital assets, donations or other items received during the staff or sponsor's tenure, shall remain at the departing school for the benefit of that activity.**

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Reporting

- Account Balances
 - School activity funds are raised for a specific function or purpose during a specific fiscal year and must be used for that specific function during that period.
 - **Due to timing of fundraiser activities, a school may have to carry forward funds from year to year. Two reasons for carry forward funds are: funds raised for a specific future purpose or funds needed at the beginning of a fiscal year.**
 - **The principal shall prohibit fundraising for accounts with excessive balances**
 - No individual activity account can end the fiscal year with a deficit balance
 - If an individual account has a deficit balance, the general activity fund account must cover the deficit by June 30
 - If the entire activity fund checking account were to come up deficit after posting payables and receivables, the district general fund shall cover any deficit by June 30
- Bank Statement Reconciliation
 - Principal should receive the bank statement before the bookkeeper gets it
 - Principal shall review the bank statement, sign and date after review (See Appendix D)

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Reporting Cont.

- Monthly Reports
 - Original Monthly/Annual Financial Reports (F-SA-15A) shall be signed and reviewed by the principal then forwarded **can be originals or electronic copies** to the finance officer, copies shall be retained at the school
- Reports to submit to the District Finance Officer
 - Monthly/Annual Financial Report (F-SA-15A)
 - List of expenditures
 - List of receipts
 - List of journal adjustments
 - List of activity account transfers
 - List of payments made to 1099 type vendors (**calendar year**)
 - List of donations (Annual only)
 - Accounts Receivable & Accounts Payable (F-SA-15B) (**Annual only**)
- Copies of the MFR along with account activity shall be sent to each sponsor monthly
- The bookkeeper shall prepare the June and Annual Financial Report and Account Receivable/Payable Report by July 25
- School activity fund financial records are to be retained three (3) years

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School Banks

- Supporters will be an important component of a school bank. District level supporters shall include the local board of education, high school principal and Education to Career Program Leader (sponsor).
- The Financial Supporter of the school bank may be a bank or credit union.
- A financial institution that participates in school banking shall be licensed to conduct banking, investment, and other financial business in the Commonwealth of Kentucky.
- All school banks are to be created/operated under the federal employer identification number (FEIN) of the supporter bank or credit union.
- Any dividends/interest for school bank accounts shall be subject to IRS Form 1099 reporting requirements.
- Before opening a school bank a written partnership agreement must be obtained between the Financial Supporter and the local board.
- The school must obtain written permission forms from the parent or guardian of each student before the student may participate in the school bank. Parents must agree to be responsible for any financial obligations incurred by the student through the student's participation in the school bank.
- Account balances and cash must be reconciled daily.
- School activity fund money shall not be deposited into a school bank.
- School bank sponsors shall not have a personal account in the school bank.
- The school bank is not included in the district's annual financial audit.

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External Support/Booster Organizations

- External support/booster organizations are adult/parent organizations established to promote school programs or complement student groups or activities. Even though an external support/booster organization works very closely with the district, it is a separate legal entity **and is responsible for adherence to IRS guidelines and Title IX regulations.**
- Generally, fundraising efforts should be planned and carried out by the parents.
- External support/booster organizations must receive local board approval to establish and lend support/seek assistance/fundraise in the name of the district or school or students or a district or school program.
- **All funds expended by a support/booster organization shall be from their fundraising activities and donations. No dues, fees, or charges shall be assessed to students or parents.**
- **PTA's can charge dues per member to cover membership fees they have to pay forward to national/state/district chapters.**
- An external support/booster organization must use external bank accounts and shall obtain its own **Federal Employer Identification Number (FEIN)** specifically and only for its use. External support/booster organizations shall not use the FEIN of the school or district.
- External support/booster organizations shall not use the state tax exempt number of the school or district. Sales by these groups may be subject to the collection and remittance of sales tax.
- Each external support/booster organization **should** have written by-laws. The by-laws should define the offices and their terms.

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External Support/Booster Organizations Cont.

- Each external support/booster organization must submit the FEIN and the names of the organization's officers to the principal at the beginning of the school year or within thirty days of their first transaction.
- External support/booster organization officers are solely responsible for ensuring that their group is in compliance with district policies, external support/booster organization guidelines in the *Redbook*, and state and federal regulations. A district, including any district employee, cannot be held responsible for any deficiencies by the **external support/booster organization.**
- District employees may serve external support/booster organizations as a general member or as a member of its executive board. However, local board members may only serve external support/booster organizations as a general member and shall not serve as an officer of the organization.
- Neither local board members nor district employees shall serve external support/booster organizations as the treasurer or any other officer with check signing authority on the external support/booster organization's bank account.
- The school activity fund shall not reimburse external support/booster organizations for any purchases.

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External Support/Booster Organizations Cont.

- No booster club shall pay the fee for any referees or officials of athletic events **regulated by KHSAA and counted on the school record.** External support/booster organizations may, however, donate to the district/school for these purposes.
- Booster clubs shall not pay or enhance salaries or stipends for any district employee, **nor can they create paid positions.** External support/booster organizations may, however, donate to the district/school for these purposes as long as the salaries paid **are under the district's salary or stipend schedule.**
- **External accounts cannot reimburse district employees for personal and booster club purchases.**
- Anything purchased by an external support/booster organization for the school, in the name of the school or for the athletic group they support, becomes the property of the school district. If the district accepts the item, then the district will be responsible for maintaining and repairing it.
- The school or district, with approval of the local board of education, may establish **additional** guidelines/requirements for the external support/booster organizations.
- The school may disassociate with any external support/booster organization that does not comply with the External Support/Booster Organization section in the *Redbook*. If the school disassociates with the external organization, the external organization shall not use the school name for their activities, conduct any fundraising in the name of the school or athletic group within the school and may not use the school facilities to conduct such activities.

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External Support/Booster Organizations Cont.

- Insurance
 - Treasurers of external support/booster organizations **should** be bonded.
 - All external support/booster organizations **are required** to carry separate insurance for general liability with the appropriate coverage to operate their organization. External support/booster organizations are not covered by the district's liability insurance.
 - Proof of liability insurance coverage **must be submitted** to the principal prior to commencing any fundraising activities.

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External Support/Booster Organizations Cont.

- Fundraising
 - The local board's approval of all school-wide fundraisers proposed by external support/booster organizations, including the use of funds, is required. The Fundraiser Approval (Form F-SA-2A) shall be completed and approved before the fundraiser begins.
 - The principal or a designee's approval of all other fundraisers proposed by external support/booster organizations, including the use of funds, is required. The Fundraiser Approval (Form F-SA-2A) shall be completed and approved before the fundraiser begins.
 - External support/booster organization fundraising must benefit the members of the group as a whole; no fundraising monies shall be applied to individual student accounts. No individual accounts by student are allowed.
 - The IRS prohibits tax-exempt organizations from **requiring** participation in fundraisers. Likewise, support/booster organizations **may not** require an amount be "donated" in lieu of participating in a fundraiser.

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External Support/Booster Organizations Cont.

- Fundraising Cont.
 - Individuals choosing not to participate in a fundraiser cannot be excluded from benefitting from the fundraiser and cannot be penalized in any way.
 - District employees shall not be involved with an external support/booster organization by ordering or receiving goods, receipting, depositing funds, paying vendors or otherwise disbursing funds. External support/booster organization funds remaining on school property must be kept in a secure location which cannot be accessed by any school personnel.
 - Students may handle funds during a fundraiser conducted by an external support/booster organization.
 - If a fundraiser involves stations (carnival or fall festival, for example), tickets shall be sold at a central ticket booth. Patrons purchase tickets from the central ticket booth and remit a ticket at each station.
 - External support/booster organizations may provide financial support to student groups by donating funds to the school for expenditure or by expending the funds directly.

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External Support/Booster Organizations Cont.

- Reporting
 - Each external support/booster organization must submit an annual External Support/Booster Organization Budget Worksheet (Form F-SA-4B) to the principal within the first thirty days of the school year or within thirty days of the first transaction.
 - Each external support/booster organization must submit an annual financial report for the fiscal year ending June 30 to the principal by **July 25**. The annual financial report shall contain, at a minimum, cash beginning balance, cash ending balance, and revenues and expenditures by category. (i.e. admission revenues, concession revenues, items for resale, supplies)

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External Support/Booster Organizations Cont.

- Title IX
 - External support/booster organizations must ensure compliance with Title IX. Title IX of the Educational Amendments of 1972 is a federal law that prohibits sex discrimination in educational programs which receive federal funding. Since all public schools in Kentucky receive federal funding, Title IX applies to all programs in the public schools.
 - Benefits provided by boosters are viewed under Title IX as being provided by the school and the school's administration is responsible for ensuring equity.
 - Expenditures made by external support/booster organizations must be reported to the principal annually by **July 25**.

RJ Flannery, LLC

External Support/Booster Organizations Cont.

- The 6 documents that must be turned in to the principal
 1. The organizations Federal ID # 8/31
 2. The names of the officers 8/31
 3. Proof of General Liability Insurance(Dec. Page) 8/31
 4. Fund Raiser Approval Forms (Form F-SA-2A)
 5. Annual Budget (Form F-SA-4B) 8/31
 6. Annual Financial Report by July 25

RJ Flannery, LLC