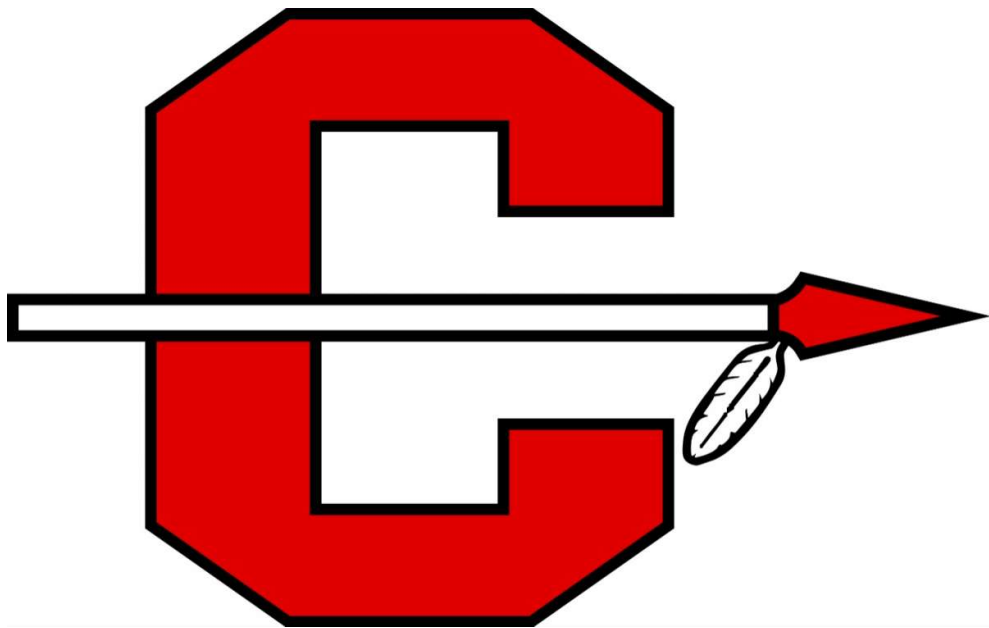


Cleveland ISD Parent Organizations Manual



Adopted 2022-2023

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Section 1: Welcome

Welcome to Cleveland ISD! We are thankful that you have chosen to volunteer your services to our students. With the support of volunteers such as yourself, the opportunity to meet the individual needs of each child is greatly increased. CISD encourages volunteer participation in our school's programs and activities. There are many opportunities to volunteer and to actively participate in the educational program. We welcome you to CISD and thank you for your willingness to partner with us in providing an excellent educational program. Your service as a volunteer will add significantly to the programs offered in CISD. Your involvement helps build a school community that emphasizes academic excellence, community responsibility, basic skill development, individual strengths, technology integration, and a lifelong love of learning. As a volunteer, you provide enrichment opportunities that enhance the educational experience for students while supporting teachers and staff. You also encourage building a strong foundation for students as they select a career path or post-secondary education. Your participation helps us to fulfill our mission of creating a safe, positive, innovative and educational environment for all children. As you enhance and support our school, it is important to help students be excited about learning. By modeling for students the kinds of behaviors and attitudes they need in order to succeed; you help them to develop into productive citizens of the school and community. This manual is designed to provide you with practical information that will assist you in your volunteer placement. It is our goal that the time you spend with our students is worthwhile for you as well as the students. Once again, thank you for helping make a difference in the lives of students in Cleveland ISD.

Stephen McCanless, Superintendent

This manual was created to assist in managing the operations of Parent Groups. The information in this manual is to assist such organizations in following pertinent policies and regulations and to provide general guidance.

Parent Groups are organizations that support a school or program in Cleveland ISD. Some examples include booster clubs and Parent Teacher Organizations (PTO).

This manual may also be viewed online in PDF format on the Cleveland ISD website under Parents - Parent Organizations.

If you need assistance with any of the required reports or have questions, please contact the Deputy Superintendent (North) or Area Assistant Superintendent (South) at 281.592.8717.

Quick Reference List

State and Federal Agencies

Texas Comptroller's Office - Taxability Issues	https://comptroller.texas.gov/
Texas Comptroller's Office - Exempt Organizations	https://comptroller.texas.gov/taxes/exempt/
University Interscholastic League	https://www.uiltexas.org/
Internal Revenue Service [IRS]	https://www.irs.gov/
IRS Forms and Instructions	https://www.irs.gov/forms-instructions
IRS Exempt Organizations	https://www.irs.gov/charities-and-nonprofits
Texas Secretary of State	https://www.sos.state.tx.us/
Office of the Texas Attorney General	https://www.texasattorneygeneral.gov/

Cleveland ISD Central Office Administration

Superintendent	Stephen W. McCanless
Deputy Superintendent	John Fritts
Area Assistant Superintendent	Dr. Rebecca Sanford
Chief Financial Officer	Karen Billingsley
Executive Director for Special Programs	Tammy Brinkman
Executive Director for Human Resources Compliance	Rodrigo Cano
Executive Director for Human Resources Operations	Erica McCarter
Executive Director for Curriculum and Instruction	Robyn Thornton

General Information

Students enrich their education and expand their horizons when they participate in school activities and programs. Parent groups can be formed to promote a school or to compliment a particular student group, program or activity. Therefore, Cleveland ISD greatly appreciates the time, effort and financial support that parent groups provide to the students, staff and schools. The district encourages and supports appropriate parent groups including, but not limited to:

- Parent Teacher Organizations (PTO)
- Booster Clubs

These organizations are each considered **separate legal entities** distinct from the district. However, because these organizations are formed as a support for the students in Cleveland ISD, the district has some discretion over their activities.

The formation of an organization must be approved by the appropriate Program Director and/or Campus Principal. Organizations must abide by all Cleveland Independent School District policies and procedures, University Interscholastic League regulations, and Federal and Texas State laws concerning exempt organizations. If an organization fails to abide by ALL the guidelines, then its extracurricular activities may be suspended.

Responsibilities:

Program Director: All activities, events, and personnel are under the jurisdiction of the Program Director for specific activities of the Parent Groups. (For example, Athletic Directors and the Director of Fine Arts. and Director of Career Technology Education) It is important that organizations recognize this authority and work within the framework prescribed by the school administration.

Principal: Responsible for all fundraising activities. Organizations should work in full cooperation with the principal and under his/her supervision in planning special programs and activities, or in conducting any activity which involves the raising of money. Long range planning on the scheduling of fundraising projects is necessary so that these activities are spread evenly throughout the school year. Principals should ensure adequate scheduling to preclude conflicts between and among groups.

Sponsor: Responsible for determining the various activities and trips in which the student group will participate with the approval of the Principal and serves as liaison between the organization and the district, under the supervision of the Principal.

Parent Groups: Responsible for supporting a student group, activity, or program. Support includes anything from fan support at games and events to the raising of money for competitions. Organizations work through the sponsor to provide assistance for planned activities of student groups. Sponsors and parents must work together to achieve desired goals. Organizations decide the type and amount of assistance to provide; however, organizations do not have the authority to decide the activities/trips in which student groups will participate. Organizations may provide suggestions; however, the Sponsor has the final decision, along with the approval of the school Principal and/or Director of Athletics, Director of Fine Arts, or Director of Career Technology Education. *Further, Parent Groups are responsible for ensuring that their group is in compliance with district policies and guidelines, state regulations, and federal regulations.*

Information All Parent Groups Must Submit to Cleveland ISD

All parent groups operating in support of a Cleveland ISD school must submit several documents each year to Cleveland ISD. When this information is not turned in by the due date, the president of the parent group will be contacted by both the Principal and the Program Director.

Below are due dates for each document required.

Due Date	What to Submit	Page	How to Submit
May 1 or within 3 weeks of elections	Contact Information for New Board Officers	p. 11	Electronically or Delivered to the Deputy Superintendent (North) or Area Assistant Superintendent (South)
September 1	Proof of General Liability Insurance	p. 20	Electronically or Delivered to the Business Office
September 1	Submission of Audit Report	p. 25	Electronically or Delivered to the Business Office
September 1	Annual Financial Statement from Previous Fiscal Year	p. 29	Original Copy Delivered to the Business Office
November 15	Submission of Receipt for Filing Form 990 to IRS	p. 18	Electronically or Delivered to the Business Office

If you have questions about these required documents, please contact the Deputy Superintendent (North) or Area Assistant Superintendent (South) at 281-592-8717.

Parent Group workshops available can be found at www.pto.org.

The November 15 deadline is for parent groups that have a fiscal year of July 1 – June 30. Other fiscal dates for filing 990 are May 15 – with a fiscal year of January 1 – December 31, and January 15 – with a fiscal year of September 1 – August 31.

Section 2: Forming a Parent Group

Overview of Forming a Parent Group

Parents interested in forming a Parent Group should discuss the pros, cons and responsibilities of having the organization with the principal and/or sponsor of the student group. Please contact the Deputy Superintendent (North) or Area Assistant Superintendent (South) to discuss the necessary steps to begin organizing your Parent Group. ***The Principal must approve, in writing, the formation of a Parent Group before the organization takes any further action to create a unique identity.***

The following are some questions to consider when deciding whether or not to form a Parent Group:

- ✓ What can a Parent Group accomplish that cannot be achieved through the school/student group?
- ✓ Are there enough parents with time to commit to the organization?
- ✓ Am I willing to perform the necessary research, training and paperwork to be in compliance with all district, UIL, State and Federal regulations? (This includes submitting required information to the Texas Comptroller's Office and the IRS)
- ✓ Have I read the remainder of the Parent Group Manual to review my responsibilities once the organization is formed?

- ✓ Have I spoken with other Parent Groups to determine what successes and challenges they have experienced?
- ✓ Have I spoken with the principal/sponsor to obtain support for the formation of a Parent Group?

Once you have decided to form a Parent Group, obtain written approval of the Principal and/or Program Director before proceeding with any other steps to form the organization. **See Section 5 - Miscellaneous Forms for Parent Group Registration and Approval**

After receiving approval for the Parent Group, mail or email a copy of the completed Parent Group Registration & Approval form to the Deputy Superintendent (North) or Area Assistant Superintendent (South) at:

Address: 316 E. Dallas Street
Cleveland, TX 77327

Email: jfritts@clevelandisd.org (North)
rebecca.sanford@clevelandisd.org (South)

Steps to set up a Parent Group

After obtaining written approval to form a Parent Group, the following steps should be followed to establish the organization:

1. Establish a Parent Group Organizational Committee to begin the process. (Members of the organizational committee cannot be considered officers until they are elected at a general membership meeting).
2. Determine official mailing address of the organization. Do not use the school's address or a parent's address. Obtain a post office box (P.O. Box) or a private mailing box (PMB). **See details on page 9.**
3. Draft and approve the Parent Group bylaws. **See details on page 10.**
4. File for incorporation with the Texas Secretary of State by completing Form 202 (Certificate of Formation Nonprofit Corporation). **See details on page 16.**
5. Apply for an Employer Identification Number (EIN) with the IRS. **See details on page 17.**

6. A membership drive should occur to let parents know about the Parent Group and when the first general membership meeting will be held. At the first meeting, the general membership should approve the establishment of the organization and approve the bylaws. Then officers should be elected in accordance with the bylaws.

7. After receiving an EIN, adopting the bylaws, and the election of officers, the Parent Group can open a bank account. A credit card is recommended for security purposes over a debit card. When a credit card is used, the charge can be disputed; whereas with the debit card, it takes a longer process to retrieve monies.

If a debit or credit card must be utilized by the Parent Group, the following guidelines are recommended:

Debit/Credit cards are to be issued to authorized signers on the bank account. The name of the Parent Group should be listed on the card. The authorized users should be the same as the signers on the bank account. The cards should be kept in the possession of the Treasurer and should be used by checking out the debit/credit cards with a signature log. The log would help reconcile the bank statement.

The credit limit should not exceed half of the income of the Parent Group.

Prior to the use of the debit/credit card, a funds request form should be completed and submitted. After the purchase has been made, the receipt should then be given to the Treasurer and attached to the request form.

There should be no cash transactions allowed (ATM, cash back, etc.). Should the card be lost or stolen, the account must be reconciled from the starting date until the card was lost or stolen.

8. Apply for an individual federal tax exemption as a public 501(c)(3) organization with the IRS. **See details on page 18.**

9. Obtain General Liability Insurance for your Parent Group. **See details on page 20.**

10. Apply for an exemption from Texas sales tax and franchise tax with the Texas Comptroller of Public Accounts. **See details on page 20.**

11. Apply for a Sales Tax Permit (*if required*) with the Texas Comptroller of Public Accounts. If the organization will not be selling any taxable items or services, you do not need to obtain a Texas Sales Tax Permit.

12. Put all of the documents related to these steps in a “Permanent File” in a safe

place to be forwarded to the new officers each year. Also, save the information electronically and provide it to several officers to help ensure that the information is safeguarded. The Business Office also maintains a permanent file, so please be sure to provide the required documents as requested. This will allow new officers to obtain past information on file.

Organizational Committee & Membership

An Organizational Committee may be used to facilitate the formation of a new Parent Group. The Organizational Committee should consist of at least three parent representatives who have children that will participate or attend the school or school activity for which the organization will be formed.

The Organizational Committee may:

- Draft and approve bylaws;
- Have a membership drive;
- Promote volunteer recruitment;
- Recruit a slate of proposed officers;
- Draft a preliminary budget.
- Hold the first general membership meeting to approve the bylaws and elect the officers.

The bylaws and slate of proposed officers should be made available for public viewing for a period of seven days before the general membership meeting.

Membership

Membership is open to individuals that are staff members at the school, parents, guardians, step-parents, grandparents or siblings over the age of 18 of a student actively enrolled in the school the parent group represents. Members are required to remain current in their dues if dues are charged. Only active members in good standing shall be permitted to hold office or vote upon any matter of business to the organization. Staff members may not hold the office of President or Treasurer. "Members" should be defined in the parent group's bylaws.

Membership Dues

Parent Groups may charge dues to their members; however, parents and staff members do not have to be members of the organization for their child(ren) or students to receive benefits from the parent group's activities. The dues amount should be voted on when the bylaws are approved at the first general membership meeting.

Mailing Address

Schools are not equipped nor funded to receive, sort, safeguard or distribute mail for all of the district's Parent Groups. Therefore, Parent Groups must obtain a Post Office Box (P.O. Box) or a private mailing box (PMB) to receive official mail. Since officers frequently change, the district does not recommend using a home address.

Please understand that Parent Groups receive several important documents from various agencies including the IRS, the Comptroller's Office, the Secretary of State and the district. It is extremely important to maintain a consistent mailing address which is kept current with each of these agencies.

If the mailing address for the organization changes, immediately notify the district, the Texas Secretary of State, the Texas Comptroller's Office and the IRS.

In addition to a P.O. Box, Parent Groups should create an email account unique to the organization instead of using the personal account of an officer or member. Many communications occur electronically and need to remain continuous through officer changes.

Bylaws of Corporation

Each Parent Group must develop and maintain bylaws that are jointly reviewed on an annual basis by the parent group's officers. The bylaws should contain the details of the rules of membership and address the parent group's fiscal year, organizational structure and the method used to elect officers. The bylaws are the governing documents for the organization. **See Section 5 Miscellaneous Forms for Bylaw Templates.**

Bylaws should specify:

□ **Name of Organization**

□ **Purpose:** define the purpose of the parent group. The nonprofit needs to make sure the purpose clause is not so narrow that it unduly limits the nonprofit's activities, and not so broad that it prevents the nonprofit from obtaining 501(c)(3) exemption from the IRS.

□ **Meetings:** the frequency and place of meetings, the type of notice required, and whether officers may vote by written proxy.

- **Executive Board Meetings:** Monthly Executive Board meetings should be held. These are meetings where the Parent Group's officers meet to discuss the business of the group.

Sample Board Meeting Agenda: *This is just a sample agenda. It can be customized to meet the parent group's needs. It may also be used at the general membership meeting.*

1. Call to Order
2. Introductions (mainly at the first meeting of the year or if there are new officers).
3. Review the mission statement of the group so new officers and committee chairpersons are familiar with the philosophy of the parent group (mainly at the first meeting of the year or if there are new officers).
4. Meeting Minutes -Read/hand out minutes from the last Parent Group board meeting. Check for corrections or clarifications needed. This is not where you discuss the business. This is simply checking that the minutes are correct. No motion is needed to approve the minutes.
5. Treasurer's report- This is an essential and required report at every meeting. This report should cover all activity since the last meeting held and should include a beginning and ending balance, which list income and expenses. If a Treasurer's report is not presented at every meeting please contact the Deputy Superintendent (North) or Area Assistant Superintendent (South) immediately for assistance.
6. Committee Reports- The committee chairperson reports the activity of the committee. These are generally progress reports for the general membership. For example, the fundraising chairperson gives an update of the committee's goals and budget. Later, after the fundraising goals are completed the chairperson will report on how the fundraiser went including the profits made and the expenses of the event.
7. Unfinished Business- These are agenda items that have been discussed but may need further discussion, clarification, or action.
8. New business - Discuss new projects, ideas, or suggestions presented.
9. Adjourn the meeting.

□ **Leadership:** the titles and specific responsibilities of the officers, qualifications for directors, the number of directors, the length of terms for the directors and officers, and the method for electing and removing directors and officers. The Parent Group must have a President, Treasurer and Secretary to function as a parent group.

▪ **Election of Officers:** The election of officers of the organization will occur annually within the timelines and manner prescribed by the parent group's bylaws. Typically, the election of officers should occur by May of each year so that the newly elected officers may be in place for the start of the next school year. The transfer of records and audit of the accounts should be complete no later than September 1st of each year. Officers may be elected in a variety of methods (simple majority, secret ballot), in accordance with the parent group's bylaws. The election of officers should be from a slate of officers presented by the nominating committee in the spring of each school year.

Recommendations may also be taken from the floor at the time of the vote in accordance with Roberts Rules of Order. At no time should officers be appointed without the input and approval of the Executive Board and the

general membership.

Once officers are elected, the Parent Group should notify the Deputy Superintendent (North) or Area Assistant Superintendent (South) of the list of new officers and their contact information by completing the Parent Organization Information Sheet **See Section 5 - Miscellaneous Forms.**

▪ **President:** Typically, the President of an organization is an individual who has previously been active in the organization. Major duties include, but are not limited to, the following:

- ✓ Preside at all meetings of the parent group;
- ✓ Regularly meet with designated campus representative regarding organization activities;
- ✓ Regularly meet with the Treasurer to review the parent group's financial records;
- ✓ Resolve problems in the membership;
- ✓ Select an officer as the designee to review bank statements, which should be a nonsigner of the bank account such as the Secretary or Parliamentarian;
- ✓ Schedule annual audit of records or request an audit, if the need should arise during the year such as the Treasurer resigns;
- ✓ Perform any other specific duties as outlined in the bylaws of the parent group.
- ✓ *Note: The President does not necessarily have to be an authorized signer on the banking account.*

▪ **Vice-President:** The Vice-President acts as the President's representative in his/her absence. He/she must remain familiar with the parent group. Major duties include, but are not limited to, the following:

- ✓ Preside at meetings in the absence or inability of the president to serve;
- ✓ Perform administrative functions delegated by the president; and,
- ✓ Perform other specific duties as outlined in the bylaws of the parent group.

Note: Larger organizations may find it necessary to elect several vice presidents with responsibility for differing areas. Such positions shall be clearly defined in the bylaws of the organization.

▪ **Secretary:** The Secretary is responsible for keeping accurate records of the proceedings of the Parent Group and reporting to the membership. The secretary must ensure the accuracy of the minutes of the meetings and have a thorough knowledge of parliamentary law and the parent group's bylaws. Major duties include, but are not limited to the following:

- ✓ Report on any recommendations and motions made by the Executive Board of the Parent Group if such a governing board is defined by the bylaws;
 - ✓ Maintain records of minutes, approved bylaws and any standing committee rules, current membership and committee listing;
 - ✓ Record all business transacted at each meeting including executive board meetings in a prescribed format;
 - ✓ Maintain records of attendance of each member;
 - ✓ Conduct and report on all correspondence on behalf of the parent group; and
 - ✓ Other specific duties as outlined in the bylaws of the parent group.
- **Treasurer:** The Treasurer is the authorized custodian of the funds of the parent group. The treasurer receives and disburses all monies outlined in the budget and prescribed in the local bylaws or as authorized by action of the parent group. The Treasurer should preferably have some kind of background in accounting or bookkeeping and have a high level of honesty and integrity. Major duties include, but are not limited to, the following:
- ✓ Keep a strong financial system with sound internal controls;
 - ✓ Comply with all legal requirements or he/she may be exposed to personal liability for negligence;
 - ✓ Develop a budget for the organization;
 - ✓ Seek competent tax and legal advice if additional help is needed;
 - ✓ Issue a receipt for all monies received and deposit in a timely manner;
 - ✓ Present a current treasurer's report including bank statements, bank reconciliations, income statement and balance sheet to the executive committee within thirty days of the previous month end. A treasurer's report should also be presented at the general membership meeting.
 - ✓ File current financial reports at the end of the year with the Campus Principal, Program Director, and the Business Office.
 - ✓ Maintain an accurate and detailed account of all monies received and disbursed;
 - ✓ Reconcile all bank statements as received and resolve any discrepancies with the bank immediately;
 - ✓ File sales tax reports as required by the Comptroller's office (monthly, quarterly, or annually);
 - ✓ File annual Internal Revenue Service Form 990 in a timely manner. This form is mandatory for all exempt organizations. A copy should be forwarded to the Business Office;
 - ✓ Submit records to audit committee appointed by the parent group upon request or at the end of the year; and
 - ✓ Other specific duties as outlined in the bylaws of the organization.

- **Parliamentarian:** The primary duty of the Parliamentarian is to advise the presiding officer on parliamentary law and matters of procedure when requested. The President or presiding officer of the organization alone has the power to make decisions or rule on point of order. Thus, after the Parliamentarian has given his/her advice, the presiding officer must make the ruling to the organization. He/she is not obligated to follow the recommendation of the Parliamentarian. The Parliamentarian should be thoroughly familiar with the bylaws and any standing rules of the parent group on which he/she serves.

□ **Provisions of Membership:** qualifications for membership, method of selection, dues and fees, voting rights, and frequency and place of membership meetings.

□ **Quorum:** the number of members or directors required for a quorum to conduct business and the portion of voters required to take action on a matter (pursuant to Texas law, an act of the board is an act of the majority of the directors present unless a greater number is required by the certificate or bylaws). The common rule of thumb for a quorum for an Executive Board meeting is 50% of the Executive Board present, plus one. The most common quorum number for a general membership meeting is ten (10).

□ **Financial Policies/Controls:** the signatures required for execution of legal documents, signatures required for checks, accounting method (i.e., cash or accrual), number of authorized signers on the bank account(s), and other controls over financial transactions and transfers of corporate assets. Two signatures on checks is recommended for financial safeguards.

□ **Committees:** the types of committees, responsibilities of committees, and qualifications for serving on a committee.

- **Special Committees:** Special committees are created for a specific purpose and voted upon by the membership. The committee is automatically dissolved as soon as that purpose is accomplished and the committee report is made. Special committees should complete their assignments within the current school year. If the objectives are not met at the end of the school year, officers will be required to reappoint members of the committee for the following school year until the purpose of the committee has been achieved. Individuals who have a conflict of interest shall not be allowed to serve as members of the committee. For example, senior parents would not be included on a scholarship committee since their child is a potential recipient of the monies.

- **Audit Committee:** At the end of the fiscal year, an audit of the parent group's financial records should be conducted. The audit should be

performed by individuals who are independent from day-to-day financial activities. The primary objectives of the audit are to:

- ✓ Verify the accuracy of the treasurer's financial reports;
- ✓ Ensure that the organization's cash balances are accurate;
- ✓ Determine that established procedures for handling funds have been followed;
- ✓ Ensure that expenditures occurred in a manner consistent with the organization's bylaws; and
- ✓ Ensure that all revenues have been appropriately received and recorded.

The audit committee shall make a report to the general membership upon completion of the audit. Any discrepancies noted shall be brought to the attention of the President of the Parent Group and a resolution reached prior to presentation. Additionally, all officers of the organization shall make records available as requested by the committee. At the year end audit, the audit committee should submit an audit report, an income statement and a balance sheet. The completed audit should be sent to the Campus Principal and the Business Office each year. Retain a copy for your records. **See Section 3: Financial Guidelines.**

- **Nominating Committee:** The nominating committee is formed from the Parent Group's membership in the spring of each year. The purpose of the committee is to recommend various members of the parent group for office in the coming school year. The nominating committee should be charged with soliciting recommendations for officer positions within the parent group. The committee should then contact the potential candidate directly to ascertain their willingness and desire to serve. The nominating committee should report back to the membership on their results in the spring (typically by mid-April) so that elections may be held.

□ **Fiscal Year:** the accounting period of the parent group; shall not be the calendar year of January 1 – December 31. The most common accounting period is July 1 – June 30 or June 1 – May 31.

□ **IRS Language:** special clauses that relate to (i) the dissolution of the nonprofit, (ii) "inurement," and (iii) a general statement that the Parent Group may not take action that would be inconsistent with the requirements for tax exemption under Section 501(c)(3). It must be stated that, upon dissolution, any remaining assets will be distributed to other organizations exempt under Section 501(c)(3).

- **Rules for Dissolution:** To dissolve an organization, a resolution shall be adopted by the organization (or the Executive Board if the organization

is inactive) stating that the question of such a dissolution be submitted to a vote at a special meeting of the members having voting rights. At least 30 days prior to the meeting, written or printed notice shall be given to each member entitled to vote stating that the purpose of such meeting is to consider the advisability of dissolving the organization. The organization must determine the distribution and usage of treasury monies and other assets before dissolution. In order to comply with IRS guidelines, care should be taken to ensure that excess funds are distributed within the framework of the organization's original purpose – i.e. Band Booster funds would remain with the musical program at that particular campus. Any other distribution of funds could void the organization's tax exempt status and force it into a fully taxable situation. This must be noted in the bylaws. The organization must *close up shop* with the IRS, State of Texas Comptroller's office and the Secretary of State.

□ **Bylaw Amendments:** the procedures for amending the bylaw shall be as follows:

- A Bylaws Committee of at least three members or the number of members outlined in the Parent Group's bylaws shall be followed;
- At least 15 calendar days prior notice shall be given to the general membership with the outlined proposed changes to be adopted;
- A quorum of at least two-thirds of the membership at the next meeting shall approve the bylaws; and
- All approved amendments shall become effective immediately and recorded by the Secretary.

The newly revised bylaws shall be sent to the Campus Principal, Program Director, and the Deputy Superintendent (North) or Area Assistant Superintendent (South).

Incorporation of a Non-Profit Organization

Parent Groups must incorporate through the Texas Secretary of State. The primary benefit to incorporating is the limited liability. Listed below are some basic guidelines. The following information was obtained from the Texas Secretary of State's website.

A non-profit corporation is created by filing a Certification of Formation with the Secretary of State in accordance with the Texas Business Organizations Code (BOC). "Non-profit corporation" means a corporation in which no part of the income of which is distributable to members, directors, or officers (BOC Section 22.001).

Form 202—Certificate of Formation - Nonprofit Corporation can be located at:
http://www.sos.state.tx.us/corp/forms/202_boc.pdf.

A signed and completed Certificate of Formation should be submitted to the Secretary of State for filing. The completed form must be submitted in **duplicate** along with the filing fee. It may be mailed to P.O. Box 13697, Austin, TX 78711-3697 or faxed to (512) 463-56709. The form may also be filed online through SOSDirect at: <http://www.sos.state.tx.us/corp/sosda/index.shtml> (additional fees may apply).

The filing fee for a non-profit corporation is **\$25.00**. Fees may be paid by personal checks, money orders, debit cards or credit cards. Checks or money orders must be made **payable to the Secretary of State**.

If the articles conform to law, the Secretary of State will stamp the documents "filed", issue a Certificate of Formation and return the certificate and a stamped copy to the remitter. The "filed" copy of the Certificate of Formation is conclusive evidence of corporate existence. Please forward a copy of this document to the Community Development Department.

The Secretary of State has created a website designed to meet the minimal filing requirements of the relevant statutory provisions. Please refer to <http://www.sos.state.tx.us/corp/index.shtml>. This site may not meet the particular requirements of every transaction, but gives general information.

The information provided is not intended to provide legal or business advice and is not a substitute for the services of an attorney or tax specialist. If you have concerns or legal questions regarding a specific transaction, consult a private attorney. Should you have additional questions, please contact corpinfo@sos.state.tx.us.

Please note: The information documented above is subject to change by the Texas Secretary of State. For the most up-to-date version of this information, please visit:
http://www.sos.state.tx.us/corp/forms_option.shtml

Employer Identification Number

The IRS requires all entities that conduct business to have their own Employer Identification Number. The EIN is obtained with the SS-4 Form from the IRS. A member's social security number should not be used as the Parent Group's Employer Identification Number for banking or other business purposes. Since **Parent Groups** are separate entities, these organizations **CANNOT use the District's EIN**.

To obtain an Employer Identification Number:

- Complete the IRS Form SS-4.
- This can be done by phone, electronically or through the mail. If an EIN number is obtained by mail this will delay receiving an EIN by four to six weeks or longer.
- To apply online, visit <https://www.irs.gov/forms-pubs/about-form-ss-4>.
- Print and keep a copy for the parent group's permanent records.
- When a number is assigned to the parent group by the IRS, ensure that the paperwork is maintained in a permanent file from year to year.
- The "suggested" fiscal year end for the parent group should be June 30th.
- There is no application fee required when filing Form SS-4.
- This EIN will be the number used to establish a bank account for the organization.
- A copy of your EIN letter should be forwarded to the Business Office.

A Parent Group is **not** automatically considered tax-exempt by acquiring an EIN. All organizations must first apply for an EIN to be recognized as a unique entity and then apply for Tax exempt status. Likewise, the mere fact that an entity is organized as a nonprofit organization does **not** indicate that it is exempt from federal tax.

501(c)(3) Tax Exempt Status

All Parent Groups are required to obtain and maintain 501(c)(3) exemption. Not all non-profit corporations are entitled to exemption from state or federal taxes. The Texas Secretary of State does **not** make such determinations. The Secretary of State only incorporates organizations. Only non-profit corporations that have 501(c)(3) federal status are considered exempt.

Individual Exemption: Parent Groups have the option of obtaining an individual 501(c)(3) exemption through the IRS. You should consult the Internal Revenue Service (IRS) prior to filing the articles to determine what provisions must be included in the articles for the corporation to be exempt from federal taxes. IRS Publication 557, titled "Tax-Exempt Status for your Organization," describes the rules and procedures for non-profit organizations requesting exemption. The publication can be obtained from the IRS website at:

<https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-501c3-organizations>

To apply for 501(c)(3) exemption and for a list of required forms, instructions, and fees please visit the website linked above.

Fiscal Year-End: When considering a fiscal year-end date, you may wish to align your year-end with the end of the school year of June 30th. This way, the financial activity of the club can relate easily to a given school year. Also, the current officers can prepare the annual Financial Report and have it audited before the new school year begins. Further, parent groups Form 990, Form 990EZ, or 990 electronic postcard would not be due until November 15th. Therefore, the new officers would have time to prepare it after beginning the new school year.

Why Do I Want to be Tax Exempt?

The IRS Tax Code provides for special treatment of certain organizations identified as "tax exempt." Some benefits to becoming tax exempt as a public 501(c)(3) organization include:

1. Federal taxes are not paid to the IRS for revenues raised;
2. Contributions to certain 501(c)(3) organizations are tax deductible by the contributor.

However, the following restrictions are placed on tax exempt organizations that Parent Groups **must follow** to receive and retain tax exempt status:

- **Tax exempt organizations must benefit a group as a whole instead of benefiting individual members of a group.** Since Parent Groups usually assist student groups, all members of the student group sponsored are to be treated equally and receive the same opportunity to benefit from the parent group's assistance. Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need discussed below is met. In some instances, individuals may not be able to afford to pay the amount owed to participate in a particular event. The IRS has indicated that a group or club may establish criteria that could be used to determine if a person is in financial need. If the criteria are met, the group or club could provide the necessary funds to allow the individual to participate. The criteria should be established in writing (in the bylaws) prior to a particular situation arising. In addition, the criteria should be used consistently for all people, and the criteria should not change every year.
- **Tax exempt organizations cannot use individual accounts.** "Individual accounts" are those accounts used by a parent group to credit an individual with revenues raised. The parent groups would use these accounts to benefit the individual by offsetting that individual's expenses with the amount credited to that individual from the revenues raised. Please note that individual accounts do not refer to bank accounts. The purpose of a tax exempt organization is to benefit

an entity as a whole instead of benefiting individuals. Therefore, the use of individual accounts could result in denial of the application for tax exempt status by the IRS or the loss of existing tax exempt status. In addition, the individual benefits received by people would result in taxable income to them.

- **Tax exempt organizations cannot require a person to participate in fundraising activities.** Normally, parent groups raise funds for students through the efforts of its members; however, sometimes the students being assisted participate in the fundraising activities. A parent group cannot require its members or the students in the related student group to participate in a fundraiser. Furthermore, members of the student group who do not participate in fundraising activities would receive the same opportunity to benefit as those members of the students who participated.
- **Tax exempt organizations cannot require that a certain amount be raised or sold per person.** For example, a parent group cannot require that each member or student of the assisted group sell \$20 worth of candy or sell 10 candy bars in a fundraiser.

Insurance

Basic general liability insurance is a requirement for **ALL** Parent Groups. The general liability policy offers the minimum lines of liability coverage including \$2 million in aggregate and \$1 million per occurrence. The period of coverage for the general liability policy is July 1 – June 30 of each year.

For details regarding general liability insurance policy rates from various insurance carriers please contact insurance@PTOtoday.com.

Texas Sales Tax Rules

A non-profit corporation may be exempt from the payment of state franchise taxes if its purposes fall within one of the exemptions listed in the Texas Tax Code, Chapter 171, Subchapter B. Questions on exemption procedures should be addressed to:

**Comptroller of Public Accounts
Tax Assistance
Exempt Organizations Section
Austin, Texas 78774-0100
(800)531-5441 or (800) 252-5555**

Application for State Tax Exempt Status: Once 501(c)(3) designation has been achieved, the organization must apply for an exemption from sales and franchise tax from the Texas State Comptroller's Office. This is done by written request, which includes a description of activities, copies of articles and bylaws, and a copy of the IRS letter granting tax exemption.

Further information may be obtained on the Comptroller's website listed in the Quick Reference Guide in Section 1 of this manual.

Important Rules to Remember

Purchases by the school are tax-exempt. No tax should be charged and paid by the school. No reimbursement will be made for taxes paid from a school or a school organization. However, Parent Groups are not tax exempt unless they have filled out the proper application forms from the Texas Comptroller of Public Accounts and have been given tax exempt status.

All Parent Groups can apply for a sales tax permit number once they receive an EIN *if* they are selling items to students and/or parents. The Parent Group gives the seller a properly completed resale certificate called "Texas Sales Tax Resale Certificate" with the sales tax permit number listed on the form.

Sales by parent groups are generally taxable. If you are ever in doubt about taxability, you should call the Comptroller of Public Accounts at 1-800-531-5441 or 1-800-252-5555. All organizations must apply for their own sales tax permit number. They may not use the number of another organization or the number of Cleveland ISD.

Important dates to remember to file Sales and Use Tax Reports

First Quarter	Jan-Mar Sales and Use Tax Report Due	April 20
Second Quarter	April-June Sales and Use Tax Report due	July 20
Third Quarter	July-Sept Sales and Use Tax Report Due	October 20
Fourth Quarter	Oct-Dec Sales and Use Tax Report Due	January 20

Frequently Asked Sales Tax Questions

What can an exempt organization buy tax-free?

Organizations that have applied for and received a letter of exemption from sales tax do not have to pay sales and use tax when they buy, lease or rent taxable items that are necessary to the organization's exempt function. An authorized agent or employee can make a tax-free purchase for an exempt organization by giving the vendor a completed exemption certificate. No item purchased tax-free by an exempt organization can be used for the personal benefit of a private party or other individual. When buying an item to be donated to an exempt organization, an individual can give the seller an exemption certificate in lieu of paying tax. If the individual uses the item before donating it, however, the exemption is lost and tax is due.

An employee of an exempt organization cannot claim an exemption when buying taxable items of a personal nature, even if the organization gives an allowance or reimbursement for such items. For example, meals, toiletries, clothing and laundry services are for personal use and are taxable.

How do I get a permit?

You must submit a completed application for a Texas Sales and Use Tax permit to the Comptroller's Office. An application can be downloaded from the Tax Forms Online page.

(See <https://comptroller.texas.gov/taxes/forms/>). You can also obtain an application by calling 1-800-252-5555.

Is there a fee charged for a Texas Sales and Use Tax Permit?

There is no fee for the Texas Sales and Use Tax permit. However, based on your application, you could be required to post a security bond.

Should I notify the Comptroller's office if I change my business address or mailing address? Yes. They need to update their records to ensure that your tax returns are mailed to the correct address. You can make the changes in these ways:

- Open the link <https://www.comptroller.texas.gov/web-forms/manage-account/changeaddress/> and complete/submit the required information.
- Use the address change block on your Texas Sales and Use Tax Return.
- Call 1-800-252-5555 to change your mailing address for sales tax.
- Email tax.help@cpa.state.tx.us.

Non-Taxable Sales vs. Taxable Sales

The Comptroller's website has a wealth of information regarding sales taxes. Please note that it is the responsibility of your organization to be in compliance with all local, state and federal guidelines and tax laws. Visit <https://www.comptroller.texas.gov/> for more information.

Non-Taxable Items

The following lists of items or activities have been identified as being NON-TAXABLE by the Comptroller's Office when sold or sponsored by a school and by an organization within a school such as Parent Groups. The lists are not all-inclusive but may help you make determinations on other similar sales.

Ad sales-in yearbooks, athletic programs, newspapers, posters	Cosmetology services (products sold to customers are taxable)
Admission - athletics, dances, dance performances, drama and musical performances	Deposits (lockers, etc.)
Admission - Summer camps, clinics, workshops	Discount/Entertainment cards and books
Admission - Fees for prom, banquets, homecoming	Facility rentals for school groups
Bottled sauce, salsa, jelly, syrup	Food items sold during fundraisers, including PIE carnivals or festivals
Boxes of fresh fruit	Gift Certificates, Gift Cards, Passbooks, Coupon Books
Carwashes, pet washes, pet sitting/walking	Frozen cookie dough, pizza kits
Magazine subscriptions greater than six months	Labor-automotive, upholstery classes (parts are taxable)
Mixes to be prepared at home (pancakes, soups, dips, breads, desserts, etc.)	Raffle tickets
Meat sticks, cheese spreads	Cleaning services
Parking permits	Student Club Memberships

Taxable Items

The following lists of items or activities have been identified as being TAXABLE by the Comptroller's Office when sold or sponsored by a school and by an organization within a school such as Parent Organizations. The lists are not all-inclusive but may help you make determinations on other similar sales.

Agenda Books	Art - supplies and works of art
Agricultural Sales	Athletics - equipment and uniforms of any kind
Band - equipment, supplies, patches, badges, uniforms	Repairs to tangible personal property
Book covers	Rings and other school jewelry
Books - workbooks, vocabulary, library, author (when we are the seller)	Rummage and Garage Sales
Brochure items	Safety supplies
Calculators	School publications - athletic programs, posters, brochures, reading books, yearbooks, magazines (unless greater than six month subscription), newspapers (unless printed on newsprint more than once per month and is less than \$0.75 per copy)
Calendars	School store items (except food)
Candles	Science - supplies
Car painting, pinstriping	Fees - copies, printing, laminating
Clothing - school, club	Flowers - roses, carnations, arrangements
Computers - supplies, mouse pads	Greeting Cards
Cosmetology - products sold to customers	Handicrafts
Cups - glass, plastic, paper	Horticulture Items

Decals	Identification Cards - when they are sold to the entire student body (not the fine for lost cards)
Drafting supplies	Locks - sales and rentals
Family and Consumer	Lumber
Musical - supplies, recorders, reeds	Pictures - school group (if school is the seller)
Parts - CTE classes (not to include products used in cosmetology), upholstery	Printing Fee
Pennants	Rentals - equipment of any kinds, towels, uniforms

Section 3: Financial Guidelines

Audit Committee General Information

Each Parent Group is required to have an audit committee conduct an annual review of their revenues and expenditures.

The audit committee may include officers (not the President or Treasurer) and Parent Group members. At least half of the committee must be non-officer members, and no one on the audit committee should be signers on the checking account.

The audit committee members may only serve two consecutive terms; however, the audit committee should not be made up of the same people every year. The bylaws will also outline the guidelines for the audit committee.

The sponsor for the parent group should be knowledgeable of the parent group's activities; however, the sponsor should not be one of the members of the audit committee.

An outside party, such as a CPA or an accountant, may be used to audit the financial information versus an audit committee. If an outside party performs the review, their results should be shown in their own report format. The outside party would need to sign and date their report.

The examples of the Audit Committee Report show space for four (4) members; however, the Parent Group may have more or less committee members. The

same information must be documented for each of the committee members, regardless of the size of the committee.

The audit committee should include **at least** the following number of members, based on the membership in the Parent Group:

- Less than 50: Two Members
- 50-99: Three Members
- 100-199: Four Members
- 200-299: Five Members
- 300+: Six Members

The Treasurer should prepare the written report of revenue and expenditures (financial report) for the Parent Group. The report should include information for the **full fiscal year**. The Parent Group should use the fiscal year that is stated on your organizing documents that are on file with the IRS. See the Audit Committee Instructions page for an example of this report.

Audit Committee Instructions

The Audit Committee should select one of these examples (based on the findings during the audit) to document the results and conclusions of their audit:

Audit Report - Type A	Audit was performed with no exceptions noted; therefore, the Financial Report appears proper and correct.
Audit Report - Type B	Audit was performed with immaterial exception(s) being noted. The Financial Report was either corrected or exceptions did not have a material effect. Except for these minor exceptions, the Financial Report appears proper and correct.
Audit Report - Type C	Audit was performed with material exception(s) being noted. Because of the material exception(s), the Financial Report is not proper and correct. In some instances, due to material exception(s) the committee may not be able to determine whether the Financial Report is proper and correct. When this situation occurs, the committee may state that the status of the Financial Report could not be determined because of material exception(s).

Forms are available for you to complete in the Appendix.

If exceptions are noted during the audit, consult with the organization's Treasurer and President (if necessary) to resolve the exception(s). The Treasurer is responsible for making any corrections to the records, checkbook and Financial Report.

If material exceptions have been noted, prepare recommendations to prevent the future occurrences of these exceptions.

The organization's Treasurer and President are responsible for acting upon recommendations made by the Audit Committee.

Maintain a **COPY** of the Financial Report and a **COPY** of the Audit Committee Report on file with the Treasurer of the organization. **These reports should be kept at least five (5) years and should be forwarded to the new Treasurer each year.**

Submit the **ORIGINAL** copy of the Parent Group's Financial Report and Audit Committee Report to the Business Department at 316 E. Dallas Street Cleveland, Texas 77327 by **September 1st**.

Suggested Audit Program Procedures

The following suggested instructions are designed to *assist* the Audit Committee in conducting a thorough audit of the organization's financial activity for the applicable school year.

Bank Reconciliations

- ☐ Trace ending balances on the reconciliations to bank statements, outstanding check lists, and other reconciling items.
- ☐ Verify that bank reconciliations were completed within 30 days of bank statement ending date.
- ☐ Ensure that any outstanding or reconciling items on the reconciliations were cleared the following month.
- ☐ Verify that the balance in the bank account (at beginning of school year), plus total deposits per check register, minus total disbursements per check register, balances to ending bank account balance (at end of school year).

Bank Statements

- ☐ Determine whether a procedure is in place for an audit committee member, other than those that have check signing ability, to receive bank statements by mail and review for reasonableness.
- ☐ Determine whether any cash corrections were identified on bank statements.

Ensure that reasonable explanations are available.

- Compare the number of cleared checks included in the bank statement with the number that is noted on the bank statement to ensure agreement.

- Ensure that cleared checks contain signatures of individuals authorized to sign checks. Ideally, bank accounts should be established to require two signatures.

Receipts

- From the checkbook or other accounting records, gather all documentation to support deposits made for the audit year.

- Trace deposits to collection documentation/cash count sheets to prepared deposit forms for agreement.

- Trace bank deposits to bank statements to ensure agreement.

- Ensure that receipts are presented for deposit in a timely manner by reviewing the dates of prepared cash receipts with the date of deposit on the bank statement.

Disbursements

- Using the check register or other accounting records, gather all of your documentation to support the expenditures made during the audit year.

- Trace checks to supporting documentation such as invoices, receipts, approved expenses related to fund-raisers, or other reasonable explanations.

- Review the canceled check to ensure agreement of payee name, endorsement, and check amount.

- Trace disbursements to budget approved by the membership or meeting minutes.

- For bank withdrawals for the purpose of establishing a change fund for an event, confirm that the change fund was later re-deposited.

Fundraisers

- Evaluate each fundraiser individually by calculating the value of items available for sale or number of tickets sold, and comparing to deposits and remaining inventory, if any, to ensure agreement.

- Determine whether fundraiser applications were prepared and submitted to the campus principal for each fundraiser.

Miscellaneous

- Confirm that all checks are present and sequential.
- Ensure that the check number for the last check issued and first check available in check stock are sequential.
- Confirm that check stock is retained in a secure place when not in use.
- Determine whether any checks were voided during the course of the year. Ensure that any voided checks are retained in the records, but have been sufficiently modified to eliminate the possibility of clearing the bank (i.e. signature portion has been cut out of the check and VOID has been written across the check).
- Ensure that sales tax reports were prepared and filed timely.
- Ensure that the IRS 990 form was filed, review for reasonableness.

Annual Financial Reports

Each year Parent Groups are required to submit a written report of actual revenues and expenditures for that school year to the Business Office by September 1st, of the following year. The Financial Report is **not** audited by the district.

The Treasurer should prepare a written Parent Group Financial Report and should ensure that the Financial Report includes:

- Name of school, name of Parent Group and the time period covered in the report.
- Actual revenues and expenditures for the applicable school year. The current year report should start at the point in time where the prior year report ended. Since Parent Groups may start their new year at various times, the time period used for reporting actual revenues and expenditures may vary from organization to organization; however, the individual Parent Group should try to be consistent in the time period they use from year to year.
- Name, title, and signature of person who prepared the report.
- Date the report was prepared.

The following examples of Financial Reports are included in this section:

- **Type 1 (easiest to prepare)** – This example is a cash basis financial report that includes the beginning and ending cash balances for the year. Money received is usually shown as income and money paid is

usually shown as an expense. *The beginning cash balance for the current year should agree to the ending cash balance from the prior year.*

- **Type 2** - This example is an accrual basis financial report that includes assets, liabilities, equity, income, and expenses. This report would include the cash transactions, but would also show amounts to be received or amounts to be paid in which money has not yet been exchanged, prepayments of expenses that have not yet been incurred, or receipt of amounts in which income is not yet recognized. *The retained earnings amount should agree to the total equity amount from the prior year*

Examples of these reports are located in the Appendix.

Fundraising Guidelines

□ All requests for fundraisers must be submitted to the principal for his/her approval in the spring semester of the preceding school year or no later than October 15th of the current school year. Requests from musical, athletic, agriculture, drill teams, and other similar groups must be presented to the principal by the director or sponsor.

See Section 5: Miscellaneous Forms.

□ All projects that are routinely spread throughout the school year count as one activity, i.e. the sale of advertisements for football programs or the yearbook, paper drives, the sale of wearing apparel or school supplies, etc.

□ Class membership fees for grades 9-12 or concessions at a contest hosted by the school are not considered formal fundraisers even though they are money raising activities.

□ Programs of educational value must be given preference by the principal over activities primarily for the raising of funds.

□ No coercion should be exercised in fundraising activities and no student or teacher is required to raise any particular minimum of money or to sell any minimum number of tickets, etc.

□ Tax exempt organizations cannot require a person to participate in fundraising activities or require that a certain amount be raised or sold per person.

□ Any items sold by student or adult organization members at school activities held in the Cleveland ISD stadium must be spirit related with the approved Cleveland logo, i.e. seat cushions with school insignia, cups, hats, shirts etc.

□ The collection of cash register tapes, product labels or coupons redeemable for monetary value are not counted against the maximum number of fundraising

activities that can be conducted. (i.e. Kroger's Card, Target Card, Box Tops, Restaurant, Skate Nights, and Spirit Nights)

□ At the end of each day's sales, all monies (cash and checks) should be accounted for on a Cash Count Tabulation Worksheet. This worksheet should then be submitted to the Treasurer for preparation of the bank deposit.

□ Charitable bingo games are regulated by the state and require that non-profit organizations apply for a temporary license to conduct bingo games. For more information contact the Charitable Bingo Operations Division at the Texas Lottery at 1-800-246-4677.

□ All concession sales are taxable unless the sales are part of a non-taxable fundraising event.

□ Poker tournaments, such as Texas Hold-Em' Tournaments, are NOT permitted.

□ Raffles are only allowed for qualified 501(c)(3) organizations that have been in existence for at least three years under specific guidelines under the Texas Attorney General's Office. Qualified organizations are allowed two raffles per calendar year.

Parent Groups are permitted to hold raffles within the following guidelines:

- Raffle tickets may not be advertised state wide or through paid advertisements. Each raffle ticket must state the name or address of the organization holding the raffle, the name of an officer of the organization, the price of the ticket, and a general description of each prize to be awarded that has a value of over \$10.00.
- A prize may not be cash or cash equivalents. This includes 50/50 raffles where the pot is split.
- The organization may not permit a non-member or other unauthorized person to sell or offer to sell raffle tickets.
- Proceeds from ticket sales must be used only for the purpose/benefit of the organization.
- All prizes advertised must be purchased before tickets are sold.
- The winner may need to pay income tax on a prize. If the value exceeds \$600.00, the Parent Group will provide an IRS Form 1099 to the recipient.

Additional guidelines on raffles can be obtained by contacting the Attorney General's Office. (See www.oag.state.tx.us)

□ It is **strictly prohibited** for any Parent Group to participate in any fundraiser which involves the sale and/or distribution of fireworks or firearms.

□ You may not serve or provide access to competitive foods during meal periods in areas where reimbursable meals are served and/or consumed. Please check with your Sponsor and/or Principal prior to having any food sales. For example, pizza fundraisers during lunch would not be allowed.

IRS Form 990

All Parent Groups regardless of gross receipts, **must complete an IRS Form 990 yearly.**

- **Form 990 DUE DATE:** The 990 is due ***annually by the 15th day of the 5th month after the organization's reporting period, due 4 ½ months after the end of a fiscal year.*** Instructions for Form 990-N, Form 990 EZ and Form 990 can be found on the IRS website at www.irs.gov under forms and publications.

You must notify the IRS with any change to your governing documents or to your mailing address. Contact the IRS for further instructions. The IRS main number is 1-800-829-1040, and the Tax Exempt section is 1-877-829-5500.

TYPES OF 990s

- **Form 990 EZ:** Parent Groups must use Form 990-EZ if gross receipts are more than \$50,000 but less than \$200,000 **and** total assets are less than \$500,000 at year-end.
- **Form 990:** Parent Groups must use Form 990 if gross receipts are greater than \$200,000 and total assets are \$500,000 or more at year-end.
- **Form 990-N (e-Postcard):** Annual Electronic Filing Requirement for small exempt organizations. Small tax-exempt organizations whose gross receipts are normally \$50,000 or less may electronically submit Form 990-N, also known as the e-Postcard. You cannot file the e-Postcard until after your tax year ends.
 - **Information needed to File the e-Postcard:** (The-Postcard is easy to complete).
 - ✓ Employer Identification number (EIN)
 - ✓ Tax year
 - ✓ Legal name and mailing address
 - ✓ Any other names the parent group uses
 - ✓ Name and address of a principal officer
 - ✓ Web site address if the Parent Group has one
 - ✓ Confirmation that the parent group's annual gross receipts are

normally \$50,000 or less

- ✓ If applicable, a statement that the organization has terminated
or is terminating (going out of business)

NOTE: In order to file the 990-N, the IRS must recognize the organization as tax exempt. If the organization is already 501(c)(3) tax exempt, there should be no issues with filing the form. However, if the organization has never filed with the IRS and/or is not 501(c)(3) tax exempt, then per the IRS Publication 557, the following paragraph must be added to the bylaws:

Said corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distribution to organizations that qualify as exempt organizations under section 501c3 of the Internal Revenue Code, or the corresponding section of any future federal tax code. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Third hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501c3 of the IRS code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170c2 of the IRS code, or the corresponding section of any future federal tax code. Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501c3 of the IRS code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organization, as said Court shall determine, which are organized and operated exclusively for such purposes.

Once the change is made, contact the IRS at 1-877-829-5500 and let them

know that you were not able to file the 990 e-Postcard and need a data sheet prepared for you. They will ask you if your organization is organized exclusively for purposes described in the section named above and also that the organization's organizing documents contain certain provisions. They will also ask if the above statements are in your bylaws, if you are authorized to speak on behalf of the organization, and the Parent Group's EIN. Once a data sheet is prepared, it will take 6-8 weeks before you will be able to file the e-Postcard.

What do I do if my group's tax exemption has been automatically revoked for non-filing of the annual informational form 990?

For more information visit the IRS website at:
<https://www.irs.gov/charities-and-nonprofits>

At a minimum, you should obtain competent legal and tax assistance to regain your exemption.

NOTE: Parent Groups that have been automatically revoked due to non-filing of the annual 990, must take steps to regain exemption and provide this documentation to the Business Office.

Section 4: General Operating Guidelines

School Name

Parent Groups should not use the school's name on its checks or on its literature. The use of the school name might imply that the school or the district is responsible for any obligations entered into by the group. As an example, a proper name for accounts and literature would be "ABC High School Band Organization."

Bank Accounts

Parent Groups should set up a bank account with the organization's EIN number. A person's social security number or the district's EIN number **cannot** be used to set up a bank account.

Appropriate written approval must be received before a district employee, substitute, or temporary worker may serve in a financial capacity or be an authorized signer on the bank accounts of any Parent Group. The Authorization for Employee to be an Officer must be completed and returned to the Business Office each school year. **(See Section 5: Miscellaneous Forms)**. Financial capacity includes holding positions of Treasurer, Fundraising Chairperson, or serving as Check Signer. No Principal, Principal's Secretary, Financial Secretary, or designated

faculty sponsor who serves as a liaison between the Parent Group and the district may be approved as a signer on the bank accounts of any Parent Groups. Refer to GE [LOCAL].

Each month, the bank statement should be received, opened, and reviewed by an officer without signature authority (that is not a signer) on the organization's bank account. This person should review checks written to signers, check that all activity (deposits and expenditures) seems normal, and balance seems reasonable. Bank statements would be given to the Treasurer following this review. Bank account(s) should be reconciled monthly.

Scholarships

Scholarships may be awarded based on a student's need or merit. The members of the scholarship committee selecting the scholarship recipients should not be related to any of the potential recipients. There should be some method of ensuring that the scholarship funds are used for their intended purpose by the recipients. To ensure that funds are used for their intended purpose, Parent Groups should award scholarships to students who have demonstrated their intent to further their education through a college/university or trade school. This can be evidenced in the form of a tuition or fee bill. All scholarship award checks should be written in the name of the college/university or trade school. If there are any surplus amounts above tuition and board, the school financial aid office will write a check to the student for the amount of the refund. It may be a prudent idea to check with the college or university for specific instructions on payment.

Another alternative available to Parent Groups is to utilize the Cleveland ISD Education Foundation scholarship process. Your parent group can donate money to the foundation and earmark it for scholarships. Please contact Susan Ard, Executive Director of the CISD Education Foundation at sard@clevelandisd.org for more information.

Financial Aid Guidelines

Parent Groups must benefit a group as a whole instead of benefiting individual members of a group. Since Parent Groups usually assist schools, all students of the school or program represented are to be treated equally and receive the same opportunity to benefit from the group's assistance.

Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need are met as detailed below.

In some instances, individuals may not be able to afford to pay the amount owed to participate in a particular event. The IRS has indicated that a group or club may establish criteria that could be used to determine if a person is in financial need. If the criteria are met, the group or club could provide the necessary funds to allow the individual to participate. The criteria should be established in writing prior to a

particular situation arising. In addition, the criteria should be used consistently for all people, and the criteria should not change every year.

Carry-Over Money

No rule or regulation exists concerning the amount of funds that Parent Groups can have in their account; unless otherwise outlined in the parent group's bylaws. Any funds not used by the Parent Group in a year carry over to begin the next year; however, all efforts should be made so that money raised by students should be used for those students. It would be a considerate business courtesy to leave the succeeding year Parent Group with a beginning fund balance sufficient to "begin business". Parent Groups may save money raised over a couple of years for a large expense or a trip. Please be sure to inform the membership and the school of why an excess of funds exists. You may be asked to explain how the funds will be used.

Concession Stands and Building Use

The Parent Groups are authorized by the district to operate the concession stands at sporting events in order to raise funds for the organization. According to Board Policy GKD Local, district affiliated school support or booster organizations may use district facilities only with the prior approval of the appropriate district administrator. The campus Principal is authorized to approve use of facilities on a school campus. The Executive Director of Auxiliary Services is authorized to approve use of all other district facilities except athletic facilities. The athletic director is authorized to approve use of district athletic facilities. All concessions held must be in compliance with the Department of Health and local city guidelines.

Donations Received

Parent Groups may receive monetary or non-monetary contributions from individuals or businesses. Additionally, those parent groups that have received a Determination Letter from the IRS granting 501(c) (3) tax exempt status are allowed to receive tax deductible contributions. If you accept grants and donations from private companies (e.g. ExxonMobil, Kroger, Wal-Mart, or others) please be mindful that there may be specific guidelines to follow in order to accept these donations. Even though contributions or donations received will ultimately support the student group at a school, the gift is still considered to be a gift to the organization and not to the school or the district. It is the organization's responsibility to acknowledge the donation. **See Section 5: Miscellaneous Forms.**

Donations Given

When a Parent Group contributes directly to a student group, the Parent Group should receive a donation letter from either the school or the district. A district employee should complete the CISD Donation Form to acknowledge the contribution and give the original copy to the Parent Group for their records. Form is located on the CISD Website Departments Tab click on Business & Finance.

Making Purchases for the District, Campus or Program – Waiting for Confirmation

Parent Groups should pay only for the organizational costs of the club such as printing, postage, bank fees, taxes, etc. The organization is also allowed to pay for recognition activities with non-school related fundraisers. When students and/or sponsors are traveling, the cost of transportation must be paid by the district as required by Board Policy FMG Local. This includes buses, rental cars, rental vans, district owned vehicles, airline travel, and any other mode of transportation. The organization should give the funds to the campus bookkeeper to encumber the funds for transportation. The organization is allowed to pay for lodging directly, as long as it does not violate UIL Rules. It is the responsibility of the organization to determine what UIL rules relate to travel. Please be sure to have all contracts for contracted services to your campus bookkeeper as soon as possible. Do not wait until the day you need the check. We advise routing a contract as soon as you know that you will need the contracted services (clinicians, guest directors, accompanists, etc.). It takes a minimum of four weeks for the contract routing process to be completed. While the organization is able to pay directly for clinicians/accompanists, a contract must still be routed with the district. District employees must be paid by the **district** and NOT by a **Parent Group Exempt Organization directly**.

Expenditures

All expenditures should be properly supported. Proper documentation for expenditures requires original receipts and invoices that are attached to a Check Request Form. Original invoices should be the only support to authorize payments or reimbursements from Parent Groups.

District employees may **not** accept loans of funds from parents and student organizations.

A Parent Group does not have the authority to commit or to represent in any way Cleveland ISD or any of its campus locations. The parent group is responsible for any obligation incurred by the parent group whether the commitment is financial or otherwise. The district is not liable or responsible for any contracts or expenditures made by a Parent Group. **We strongly encourage organizations to obtain their own legal assistance before authorizing or signing any agreement or contract in the parent group's name.**

The special regulations that follow relate to payments to clinicians, consultants, and similar arrangements:

- Any clinician, accompanist, etc. who is coming onto district property to offer a service must have a contract or quote routed for Risk Management purposes. If the organization wishes to pay the Clinician/Accompanist directly, that is acceptable. However, the above steps must still be followed. If the organization does not have a standard contract to route, the Parent

Group is welcome to use the Short Form Contract in the Appendix. The Parent Group's President is required to sign this form as the contract is between the Parent Group and the clinician/accompanist. File appropriate contract paperwork/quote for these services with the campus bookkeeper as soon as possible.

- The employment of clinicians by the district may not be a substitute position or an alternative for a sponsor. A clinician is defined as a professional who is not an employee of Cleveland ISD whose services are contracted on an intermittent basis to give suggestions and/or help a performing group with routines/numbers that have been initially taught by Cleveland ISD employees. The use of a clinician requires the approval of the campus principal and/or the appropriate administrators.

Food Sales

The sales tax statute exempts the sales of food, including meals, soft drinks, and candy, by a group associated with a public or private elementary or secondary school when the sales are part of a fundraising drive sponsored by the parent group, and all net proceeds from the sale go to the parent group for its exclusive use. Parent Groups are included in the provision. It does not matter if the sale is during the school day, the evening or on a weekend; if it is a fundraiser, it is not taxable.

One Day Tax Free Sales

Each Parent Group can have two (2) one day tax free fundraisers per calendar year according to the Texas State Sales Tax Law.

A one-day tax free fundraiser can add to the profitability of a fundraiser and/or reduce the total costs to the buyers. Proper planning can qualify a Parent Group's fundraisers as one-day tax free sales. One way to qualify a fundraiser as a tax-free sale would be to deliver the items being sold to the buyers on a single day. Orders and/or collections could be taken over an extended period before delivery is made.

Co-Mingling of Funds

Parent Group funds and school activity funds are **strictly prohibited**. Each organization must have its own separate bank account at a facility in proximity to the school.

Money Handling Procedures

Money refers to cash, checks, money orders, or cashier's checks. The following are suggestions related to handling money to assist in ensuring proper accountability.

Receiving Money:

- The person receiving the money **while in the presence of the person turning in the money** should count all money received (face-to-face verification).
- The person receiving the money should give a receipt to the person delivering the money (both parties should retain their copy of the receipt).
- Any checks received should be endorsed immediately.
- Post-dated checks **should not be accepted** from any source.
- Receipts should indicate whether cash, check, money order, or cashier's check was received; date of the receipt; and signature of the person receiving the money.
- If a money order or cashier's check is received, the receipt should indicate the total check amount; brand name of the money order or the issuing bank's name of the cashier's check; and the complete check or money order number. If a copy of the money order or cashier's check is made, the inclusion of this additional information on the receipt is not necessary.
- Copies or a list of checks, money orders, and cashier's checks received should be made to assist in recovery of money if these items are lost, stolen, or returned due to insufficient funds.

Recording and Depositing Money :

- Prior to depositing money, at least two people should count the money.
- All money should be delivered to the Parent Group's Treasurer to deposit funds daily.
- When face-to-face verification cannot be done at the time the money is turned in, the money should be put in a sealed tamper-proof bag or a sealed envelope with the name of the person turning in the money, date, and the reason money was collected. The Treasurer should also sign and date the sealed bag or envelope and then secure it in the safe until a face-to-face count can be done.
- Receipts should be reconciled with all money turned in and deposited.
- Money received should only be deposited in the Parent Group's account(s).
- Deposit slips should be retained and reconciled monthly to the account.

Disbursing Money:

- **Two** signatures are required on each check unless otherwise stated in the bylaws.
- "Blank" checks should never be issued and checks should never be pre-signed.

Tax Advice

Parent Groups should seek competent tax and legal advice on their own and at their own expense to assist and advise them on legal and tax matters.

Records Retention Schedule

All Parent Group records should be maintained in a manner to facilitate the transfer of duties to new officers each year. Copies of financial records should be maintained in the permanent records of the organization. Many of these filings become public record upon the granting of exempt status and must be maintained for public inspection. In particular, the IRS determination letter and the application for tax exemption are subject to open records.

The Secretary and Treasurer of the Parent Group shall turn records over to the incoming officers within 30 days after the election. Other officers should also turn over their procedural documents within 30 days of election so that the new officers can become familiar with the policies and procedures of the parent group.

Some items need to be kept indefinitely while other items only need to be kept for a certain length of time. Records should be kept for at least a period of 5 years for audit purposes.

The record file should contain at least the following items on a permanent basis:

PERMANENT RECORDS

Internal Records:

- ☐ Parent Group Registration & Approval Form
- ☐ Articles of Incorporation/Articles of Association
- ☐ Bylaws/Charter/Constitution
- ☐ Minutes from meetings

State Records:

- ☐ Sales Tax Permit Application
- ☐ Sales Tax Permit
- ☐ Certificate of Incorporation from State of Texas (if applicable)
- ☐ State Sales Tax Exemption Notification
- ☐ State Franchise Tax Exemption Notification (if incorporated)

Federal Records:

- ☐ Copy of IRS Form SS-4, Application for Employer Identification Number

- Copy of IRS Form 1023 or Form 1023EZ, Application for Recognition of Exemption, with all attachments (if individual exemption is obtained)
- Copy of IRS Form 8718, User Fee for Exempt Organization Determination Letter Request, and copy of check sent to IRS with this form
- Acknowledgement of Your Request
- Determination Letter
- Copy of IRS Form 8734, Support Schedule for Advance Ruling Period, and the IRS's notice granting a permanent exempt status to the organization, if applicable for non-permanent records, the Texas State Comptroller's Office and the IRS have different retention periods as discussed below. In addition, certain circumstances, such as fraud, would allow the retention period to be extended beyond the normal requirement.

According to the Texas State Comptroller's Office, this office has four (4) years from the date the tax becomes due and payable in which to assess the liability. This statute of limitations may be extended beyond the four (4) years, if an agreement is made in writing between the Texas State Comptroller's Office and the Organization. In cases of fraud, or **if the sales tax returns have not been filed**, the statute of limitations does not apply and the Texas State Comptroller's office may assess and collect taxes, penalties, and interest at any time. The statute of limitations does not apply when information contained in the sales tax report contains a gross error and the amount of tax due and payable after the error is corrected is 25% or more than the amount initially reported. In addition, other exceptions to the statute of limitations may apply.

According to the IRS, Parent Groups must keep each annual information return (i.e. Form 990 or Form 990-EZ) for 3 years from the date the form is required to be filed or from the date the form is actually filed, whichever is later. However, if fraud is suspected or if returns have not been filed as applicable, the IRS could request information prior to the 3 year period discussed above.

NON-PERMANENT RECORDS

Internal Records

- Financial Reports and Review Committee Reports
- All financial backup including checkbook and banks records
- Information related to donations received by a Parent/Exempt Organization from individuals or businesses
- Financial Aid Guidelines

□ State Records Sales Tax Forms Filed (Quarterly or Annually)

- Copy of correspondence with the Texas Secretary of State and the Texas State Comptroller **Federal Records**
- Copy of IRS Forms 990 or 990-EZ filed
- Copy of correspondence with the IRS

Before discarding any records, confirm with the Texas State Comptroller's Office and the IRS that your organization is in good-standing and that no open items or issues exist related to the time period involving the records that you would like to discard.

All Parent Groups shall abide by the following guidelines:

1. Be voluntary and support student activities of the school.
2. Work collaboratively together for the good of students and the program served. When conflicts arise, seek resolution first through campus and program administration.
3. Obtain a P.O. Box or private mailing box (PMV) and NOT use the school's address or a parent's address.
4. Obtain an email address unique to the organization and not use the personal email address of a member or officer.
5. Comply with all Cleveland ISD policies, UIL regulations, and Federal and Texas state tax laws for Parent Groups.
6. Have a campus sponsor/director for accountability purposes and as a point of contact on campus.
7. **Seek competent tax and legal advice on their own and at their expense to assist and to advise them on legal and tax matters.**
8. Submit all scheduled activities for approval to the Principal prior to the beginning of each school year or when appropriate.
9. Comply with administrative regulations and board policy when donating money or gifts to the Cleveland ISD.
10. Submit a copy of current adopted bylaws and operating procedures to the principal.
11. Pay all taxes and other debts incurred by the organization.
12. Obtain and use their own EIN number from the IRS, never using the EIN of Cleveland ISD.

13. Incorporate with the Texas Secretary of State and obtain 501(c)(3) status. Exempt Organizations may obtain their own 501(c)(3) designation.

14. Provide evidence of adequate insurance coverage for all activities conducted on school premises. Cleveland ISD cannot provide liability insurance coverage for the Parent Groups.

15. Assume liability for personal injuries or property damage arising from their activities. (All Parent Groups must obtain general liability insurance.)

16. Have an audit committee conduct audits annually and maintain records for a period of five years. Supply copies of audited financial statements to the Campus Principal and the Business Office annually and provide appropriate documentation for non-profit public entities.

17. Keep minutes of each meeting on file with the sponsor and Principal.

18. Keep all general membership meetings and meeting minutes accessible to the public.

19. Work in cooperation with the program sponsor/coach to develop an expenditure budget and define needs and goals.

20. Submit the proposed budget to the Principal for approval.

21. Submit a year-end financial report to the principal no later than September 1st of each year.

22. Donations raised for authorized equipment, consultant fees, contracted services, student travel expenses, etc. need to be given to the appropriate campus program activity account.

23. Have all fund-raisers for the school year approved by the Campus Principal no later than October 15th.

24. File IRS Form 990, 990EZ or 990N e-Postcards on a timely basis in order to maintain 501(c)(3) exempt status with the IRS. A copy of the filed 990 should be sent to the Business Office.

25. Represent only one campus with the possible exception of Fine Arts or Athletics boosters. These organizations may represent their school's vertical feeder program.

26. Provide financial reports and meeting minutes on a monthly basis to members, sponsors and campus administration.

27. Provide a quote or contract routed to the Purchasing Department for any

clinician, accompanist, etc. who is coming onto district property to offer a service. The organization will be required to pay the clinician/accompanist directly; however, the above steps must still be followed. If the organization does not have a standard contract form, the Short Form Contract in the Appendix may be used. The organization's President is required to sign this form as the contract is between the organization and the clinician/accompanist. File contract paperwork/quote for these services with the campus financial secretary as soon as possible. The organization CANNOT pay a district employee directly. District employees must be paid through the district.

28. Provide the name and contact information for a sponsor that Parent Groups can contact with questions or concerns.

All Parent Groups should NOT participate in the following:

1. Use school facilities without prior written approval by the Principal or Executive Director for Ancillary Services for district facilities.
2. Be involved in the direction of the coach/sponsor, personnel issues, scheduling of contests, and rules of participation or policy making activities for a student group or interschool program. These administrative duties are the sole responsibility of the school and district administration.
3. Have authority in directing or influencing district employees in the administration of their duties.
4. Have the sponsor as an authorized signer on the Parent Group's bank account. In addition, no other employee of the district may be an authorized signer on the organization's bank account without written approval from the district.
5. Establish a "petty cash" or miscellaneous funds for the coach or sponsor to be used at his/her discretion.
6. Give a sponsor or coach a gift or cash in excess of the limits imposed by the University Interscholastic League (UIL) from any source in recognition of, or appreciation for coaching, directing, or sponsoring student activities.
7. Give anything to students, including awards. (Check with school administrators **first** before giving anything to a student, school, sponsor or coach.)
8. Donate equipment to the program or the school unless it is inventoried by the program or campus and becomes property of the district.

9. Have elected or appointed officers that DO NOT have a child who is actively participating in the program during the current school year.
10. Allow members to join that DO NOT have a child, relative or ward actively enrolled in their school. However, you may have community supporters that do not have voting rights.
11. Directly employ, contract, supplement or in any other way compensate a consultant, clinician, accompanist, or paraprofessional for work performed for the student activity. These types of working arrangements must be managed through the sponsor.
12. Sign contracts or pay expenses **directly** from Parent Group accounts for any arrangements for student travel associated with the organization (i.e., transportation, bus or airfare, etc.). In lieu of this, the organizations may donate money or merchandise to the school with the prior approval of school administration.
13. Conduct excessive fundraisers involving students. Careful consideration should be given to limiting the number of major fundraising activities involving students. All such activities require the approval of the designated sponsor and the Principal.
14. Use Cleveland ISD tax identification number as the Parent Group's identification number.
15. Use the Cleveland ISD tax exemption form when making purchases for a Parent Group.
16. Use *any* Cleveland ISD mailing address for your address. You MUST obtain and maintain your own permanent post office box address.
17. Set up individual accounts. Individual Accounts are those accounts used by a Parent Group to credit an individual with revenues raised. The parent group would use these accounts to benefit the individual by offsetting that individual's expenses with the amount credited to that *individual* from the revenues raised.

Note: The purpose of a tax-exempt organization is to benefit an entity as a whole instead of benefiting individuals. Therefore, the use of individual accounts could result in denial of the application for tax exempt status by the IRS or the loss of existing tax-exempt status. In addition, the individual benefits received by a person would result in taxable income to them.

18. Endorse a political candidate including using the candidates name on banners, programs, t-shirts, etc.
19. Pay for teacher memberships. The funds raised by Parent Groups should be directed towards students.
20. Engage in any method of fundraising that involves fireworks, firearms and/or alcohol.
21. Conduct non-compliant raffles.

Section 5: Miscellaneous Forms

TEMPLATE 1- [Parent Group Name] BYLAWS OF CORPORATION

ARTICLE I – NAME

The name of this organization shall be _____, a nonprofit corporation, under the laws of the United States of America and the State of Texas, and shall hereinafter be referred to as “the Organization”.

ARTICLE II – PURPOSE

Section 1

The purpose of the organization shall be to support all aspects of the _____ program and the _____ director/s at _____ School, to raise funds, support the activities of all _____, and to be a vehicle by which information can be imparted to members' immediate families. The artistic portion (i.e., music, choreography, costumes, etc.) shall be the sole responsibility of the _____ director.

Section 2

The objectives of the Organization are:

- To promote and maintain an enthusiastic interest in the various phases of _____ activity at _____;
- To lend all possible support, both moral and financial, to the _____ programs of _____;
- To cooperate with those in charge of _____ to the end that the _____ program be brought to and be kept at the highest possible degree of efficiency;
- To build and maintain an organization which will help promote the general activities of the _____ program;
- To seek to have parents, teachers, administrators, and the public cooperate in furthering the endeavors of students in _____ related extra-curricular activities at _____.

Section 3

The Organization shall honor all policies of the University Interscholastic League (UIL) and the Cleveland Independent School District (Cleveland ISD). The _____ director(s) shall act as spokesperson for the students to inform the Organization when services are needed. They may also act as spokespersons for the Organization with the school principals and school administration.

Section 4

The organizational structure guiding the activities of the Organization, in descending order of authority, shall be:

- Cleveland ISD/UIL/TEA

- Administration
- Director/Sponsor
- Parent/Exempt Organization Executive Board

ARTICLE III – MEMBERSHIP

Section 1

Membership in the Organization shall be open to any person who pays the annual membership fee and has a direct relationship with a current student in the program and is interested in the enhancement and development of the program for all students.

Section 2

The title of Honorary Membership may be conferred upon any man, woman or business whom the Organization desires to honor. This will be determined by a committee chaired by the Secretary. This Honorary Membership is intended to be given to an individual or business that has gone above and beyond in supporting the Parent Group Exempt Organization. An appropriate award would include a certificate or plaque, press release, and/or recognition at a performance or meeting. This award may be given annually but is not mandatory every year.

Section 3

The director/sponsor and an appropriate representative of the School administration shall be ex officio members of the Board of Directors. They shall not hold office or vote in the Organization but shall serve as consultants and advisors to the Officers, approving all events and projects to be considered, voted upon, supported and/or sponsored by the Organization. They shall act as liaisons with the school administration.

Section 4

The privilege of holding office, making motions, and voting shall be limited to members of the Organization in good standing.

Section 5

The membership year shall be from July 1 through June 30.

ARTICLE IV – OFFICERS

Section 1

The officers of the Organization must include the President, Secretary and Treasurer. Other officers may be created by the Executive Board and voted on by the general membership, on an as-needed basis and may include, but not limited to: Vice President, Vice President-Fund-raisers, Vice President-Volunteers, Vice President-Socials, Vice President- Publicity, Vice President-Uniforms, Vice-PresidentWebsite/Technology.

Section 2

Officers are in place to serve all students in the _____ program, and officers' students in the program will receive no preferential treatment by the Organization or director/sponsor.

Section 3

Nominations for Officers to be elected will be made by a Nominating Committee of at least (3) members appointed by the President. All members in good standing are eligible to serve including the current Board; however, the Nominating Committee should not consist solely of current Board members. The Nominating Committee will elect its own Chair.

Section 4

The Nominating Committee shall notify the membership in writing, either by newsletter or electronic, at least thirty (30) days prior to the scheduled election that a search for officer candidates is underway. The committee shall report at the Board meeting in May the names of the candidates for the office of President, Secretary, Treasurer and any additional Board positions. Additional nominations may be made from the floor. All nominees must be parents, grandparents or guardians of a student enrolled in _____ program, be a member in good standing, and must consent to serve if elected.

Furthermore, the Nominating Committee will provide a list of candidates who may be interested in serving the newly elected Officers as volunteers for the next year.

Section 5

Officers will be elected annually for one (1) year terms. Officers shall be allowed to serve in the same position for a limit of two (2) consecutive years. Officer terms will coincide with the school year.

Section 6

Election of officers will be held annually by the general membership of the Organization at the last meeting of the school year. A majority vote of the membership present shall elect.

Section 7

Officers may resign their position anytime they feel the necessity to do so. Officers may be removed from their position by a unanimous vote of the remaining Board members for dereliction of duties.

ARTICLE V – VACANCIES

Section 1

In the event of a vacancy in the office of President, the office will be filled by the Vice

President. If there is no current Vice President or they decline, a special meeting may be called for the purpose of electing a President, or election at the next general membership meeting.

Section 2

In the event of a vacancy in any other Officer positions, the Board will fill the vacancy by appointment through a majority vote.

ARTICLE VI – GENERAL MEMBERSHIP MEETINGS

Section 1

Membership meetings shall be held a minimum of once per semester. They may also be held monthly or more often as needed.

Section 2

Any number of members shall constitute a quorum for the transaction of business at any meeting of the Organization provided the meeting has been announced to the general membership in advance. Activities of the Organization must be approved by the majority vote of those members present.

Section 3

To be on the agenda, members must notify the President at least five (5) days prior to the scheduled general membership meeting.

ARTICLE VII – EXECUTIVE BOARD MEETINGS

Section 1

The Board shall meet prior to each general membership meeting.

Section 2

Any meeting of the Board shall require notification of the entire membership a minimum of seven (7) days prior to the meeting unless it is a special called meeting. The general membership will be notified of the meeting in case any member would like to introduce an agenda item. Executive Board meetings are closed to the general membership unless a member is on the agenda. If a member would like to introduce an item for the Executive Board to consider, then they must notify the President seven (7) days prior to the meeting.

Section 3

An Officer may call a special meeting of the Board upon giving twenty-four (24) hour notice to the Board with said notice to include the purpose, place, and time of the meeting. Business transacted at a special meeting shall be limited to the purpose for

which the special meeting was called. Fifty-one (51%) of the

Board and a minimum of one Director/Sponsor shall constitute a quorum to conduct a special meeting. All decisions made in a special meeting shall be as if all Board members were present and voting.

Section 4

Any officer shall have the authority, in consultation with a Director/Sponsor, to take action on behalf of the entire board in limited circumstances of true emergency when decisions need to be made in less than twenty-four-hour notice.

Section 5

Board members may conduct Board meetings electronically, by phone conference or computer conference, as long as all members are invited to join and all members participating can communicate with one another.

Section 6

Any action required or permitted to be taken at a meeting for the Board may be taken without a meeting if all members of the Board consent in writing or by email confirmation to taking the action without a meeting and to approving the specific action. Such consents shall have the same force and effect as a unanimous vote of the Board.

ARTICLE VIII – DUTIES OF OFFICERS

Section 1 – PRESIDENT

The President shall preside at all board meetings and general meetings (or provide a proxy), see that all bylaws are enforced, schedule meetings of the Board and General membership, appoint special committees, and perform other duties that may pertain to the office. The President shall serve as a liaison for any District Parent Group Organization meetings and facilitate coordination and compliance with Cleveland ISD Parent Group Organization policies and procedures, attending in person or by proxy at all district meetings. The President shall serve as chairman of the nominating committee. The President shall serve as chairman of the Executive Board. The President shall serve on the Finance Committee. The President shall serve as ex officio member of every standing committee and ad-hoc committee. The President shall communicate or facilitate communication to the parents and/or the Organization's members via email, US Mail or telephone all pertinent information in a timely manner. The President shall be the keeper of the Organization email account, being the primary user of the account. The President shall communicate effectively and regularly with the Director/Sponsor and other Board Members.

Section 2 – VICE PRESIDENT

The Vice President shall support and assist the President in fulfilling all duties associated with the Organization. The Vice President shall perform the duties of the President in the

absence of the President or at the request of the President. The Vice President shall serve on the Finance Committee. The Vice President shall serve on the Executive Board. The Vice President shall have secondary access to the Organization email account. The Vice President shall communicate effectively and regularly with the President and other Board Members.

Section 3 – SECRETARY

The Secretary shall take minutes of each Board meeting and each general membership meeting and prepare and present the minutes at regular and special meetings of the Board and membership. The Secretary shall submit a copy of the minutes of each Board meeting and general membership meetings to the school administration. The Secretary shall serve on the Finance Committee. The Secretary shall serve on the Executive Board. The Secretary shall communicate effectively and regularly with the President and other Board Members.

Section 4 – TREASURER

The Treasurer shall be custodian of the funds of the Organization. The funds shall be deposited in a legal financial institution. Checks shall be signed by two of the following: The Treasurer, President, Secretary or Vice President if over \$200, unless prior written approval is given through electronic mail or approved budget item. Dual signatures shall not be from the same family. The Treasurer shall keep vouchers for all receipts and disbursements together with correct records of the same. The Treasurer shall give a summary report at each regular Board meeting and at each general membership meeting. The Treasurer shall render a complete financial report at any scheduled meeting of the school year. The Organization shall be audited at the Treasurer's request, at the direction of the President, or majority vote of the membership or Cleveland ISD administration. After the end of the fiscal year, the organization shall send a copy of the end of financial statement from the previous year to the Business Office. The proper tax documents should be filed with the appropriate government entities. The fiscal year shall be from July 1 to June 30. Upon request, the Treasurer shall supply current financial records, budgets and/or projections to the Director/Sponsor and/or Board. The Treasurer shall be chairman of the Finance Committee. The Treasurer shall serve on the Executive Board. The Treasurer shall communicate effectively and regularly with the Director/Sponsor, President and other Board Members.

Section 5 – VICE PRESIDENT OF PUBLICITY

The Vice President of Publicity shall coordinate with the Director/s to prepare publicity for the various events during the school year, which will include, but not limited to, _____. The Vice President of Publicity shall establish and maintain associations with local media representatives. The Vice President of Publicity shall prepare media releases to report significant accomplishments of the various groups and individual students. It is a goal to have a picture of _____ event in a local newspaper at least once per six (6) weeks. The Vice President of Publicity shall coordinate taking a picture of each student at the beginning of each school year to be kept on file and submit those photographs, electronically or with a CD, to the Director/Sponsor in a timely manner. All publicity and communications must be submitted to the

Director/Sponsor for approval. The Vice President of Publicity shall communicate effectively and regularly with the President and other Board Members.

Section 6 – VICE PRESIDENT OF UNIFORMS/COSTUMES

The Vice President of Uniforms/Costumes shall be responsible for assigning uniforms and other costumes, uniform inventory, uniform ordering, fitting, uniform repair and cleaning. The Vice President of Uniforms/Costumes shall be responsible for coordination of design and manufacture, or acquisition, of special events costumes as necessary. A uniform/costume committee shall be appointed by the Vice President of Uniforms/Costumes as needed to assist with uniforms/costumes. The Vice President of Uniforms/Costumes shall communicate effectively and regularly with the President and other Board Members.

Section 7 – VICE PRESIDENT OF FUNDRAISERS

The Vice President of Fundraisers shall oversee the implementation and organization of various fundraisers for the Organization which may include, but not limited to: garage sales, raffles, and car washes. The Vice President of Fundraisers shall communicate effectively and regularly with the President, Treasurer and other Board Members.

Section 8 – VICE PRESIDENT OF VOLUNTEERS

The Vice President of Volunteers shall be responsible for the facilitation of recruitment of volunteers, maintaining a volunteer list. The Vice President of Volunteers shall communicate with the Director/Sponsor and Board at least three (3) weeks prior to any event in order to assess the volunteer needs and the placement of volunteers. The Vice President of Volunteers shall communicate effectively and regularly with the President and other Board Members.

Section 9 – VICE PRESIDENT OF SOCIALS/EVENTS

The Vice President of Socials/Events will coordinate and oversee all socials and events including, but not limited to: Kick-off Party, Christmas Party, Parties, Picnic, Recruiting Events, and Banquet. This includes securing facilities, food, supplies and entertainment. The Vice President of Socials/Events shall work within the budget established by the Executive Board. The Vice President of Socials/Events shall communicate effectively and regularly with the President and other Board Members.

Section 10 – VICE PRESIDENT OF WEBSITE/TECHNOLOGY

The Vice President of Website/Technology shall maintain the Organization's portion of the _____ website. The Vice President of Website/Technology shall actively seek avenues for integrating new forms of technology to enhance involvement and communication. The Vice President of Website/Technology shall communicate effectively and regularly with the President and other Board Members.

Section 11 – VICE PRESIDENT OF MERCHANDISE

The Vice President of Merchandise shall organize and maintain the Organization's

merchandise including, but not limited to: t-shirts, yard signs, polos and decals. The Vice President of Merchandise shall be responsible for student merchandise orders and the procurement of all merchandise. The Vice President of Merchandise shall communicate effectively and regularly with the President and other Board Members.

ARTICLE IX - SCHOLARSHIPS

Section 1

The Organization may issue scholarships to graduating seniors going on to higher education. These shall be in the form of checks payable to the scholarship recipient's institution, university or college in the name of the recipient.

Section 2

A scholarship committee shall be formed and consist of the Director/Sponsor and at least three of the following: Director/Sponsor, Board Members, other directors/sponsors, or general membership, with the exception of parents or guardians of senior students.

Section 3

The number of higher education scholarships offered and the amount per scholarship shall be voted on by the Board prior to the announcement of scholarship applications.

Section 4

Scholarships for _____ camps may be offered. The number of scholarships offered and amount per scholarship shall be decided by the Board prior to the announcement of scholarship applications.

Section 5

The Board may offer scholarships to students who show a financial need for any _____ activity. This shall be done on an as-needed and confidential basis.

ARTICLE X – DISSOLUTION

Section 1

The organization may be dissolved if the Head Director/Sponsor deems that the organization is no longer fulfilling its purpose due to waning membership, declining member involvement in the club or organization activities, lack of support from the Organization, or repeated conflicts with the Executive Board.

Section 2

The organization may be dissolved by a recommendation from the Executive Board due to waning membership, declining member involvement in activities, lack of support from

the Organization, or repeated conflicts with the Director/Sponsor.

Section 3

After issues have been addressed in prior meetings, and they still remain unresolved, the procedure for dissolution of the _____ Parent Groups are as follows:

- The Director, or the Director and Executive Board together, shall meet with the _____ Head Principal for discussion and approval.
- Principal must grant approval to dissolve the Organization.
- The Director/Sponsor shall notify the Organization membership of the decision to dissolve the Organization via electronic mail, posting on the _____ website, and sending a letter home to parents by handing letters out in class to every student.
- The Treasurer shall write a check to the _____ to be deposited into the _____ Activity Fund. This check will be for all funds deposited into the Organization bank account, less the amount for outstanding checks and the amount (if any) to keep the account open in case the Organization should be re-formed at a later date.
- Any non-cash assets will be donated to the _____ Department and entered into its district maintained inventory, or they may be converted into a cash asset, or they may be donated to a local charity.
- All Organization forms (government, financial, organizational, account access, etc.) will be given to the Director/Sponsor for storage. The Organization Officers may make their own photocopies of these forms containing any non-confidential student information.

Section 4

The ORGANIZATION NAME may be not reinstated in the next school year immediately following dissolution of the ORGANIZATION, but it may be reinstated at any time in the future after that school year.

ARTICLE XI – ACCEPTABLE USE/CONFIDENTIALITY

Section 1

Board members shall be required to sign an acceptable use and confidentiality agreement in regards to email access, database access and confidential student records.

Section 2

Approval from the Director/Sponsor must be received in order to send an email or mass communication to the Organization's membership or community on behalf of the Organization.

Section 3

Confidentiality is paramount in regards to student information and Board business.

ARTICLE XII – ADVISORY AUTHORITY

The Organization shall be guided in any project by the advice and consent of the Director/Sponsor. In the event of a stalemate or deadlock issue, the Director/Sponsor shall be granted the authority to settle the matter for purposes of efficiency and expediency.

ARTICLE XIII – PARLIAMENTARY AUTHORITY

The rules contained in the current edition of Robert's Rules of Order shall govern the Organization in all cases to which they are applicable and in which they are consistent with these bylaws and any special rules of order the Organization may adopt unless otherwise decided by the Board.

ARTICLE XIV – AMENDMENTS

These bylaws may be amended at any general membership meeting by a two-thirds vote of members present, provided prior notice has been given via a previous general membership meeting, or letters being distributed to all members, or all members being contacted through electronic media.

Template 2: Parent Group Constitution/Bylaws Constitution

ARTICLE I The name of this organization shall be _____.

ARTICLE II The purpose and aim of this non-profit organization is to:

Section 1:

Raise monies for an annual _____ scholarship.

Section 2:

Raise monies for the enhancement and development of the
_____ program for all students.

ARTICLE III MEMBERSHIP

Section 1:

Membership in the _____ shall be open to any
Person interested in the enhancement and development of the
_____ program for all students.

Section 2:

The title Honorary Membership may be conferred upon any man or
Woman whom the organization desires to honor.

ARTICLE IV OFFICERS

The officers of this organization shall be a President, Vice-President,
Secretary, and Treasurer. All officers shall be active members in good
standing with a student active in the _____
program.

ARTICLE V MEETINGS

Section 1:

Meetings of the organization shall be held _____.

Section 2:

Special meetings may be called by the President. The President shall
call a special meeting upon written request of five (5) members. No
business can be transacted at a called meeting except that for which
the meeting was called.

ARTICLE VI

AMENDMENTS

This constitution may be amended at any regular meeting of the organization by a vote of active members present, provided that the proposed amendment has been submitted in writing to the President.

TEMPLATE 3: Bylaws of [Parent Organization]

ARTICLE I

MEETINGS

Section 1:

The order of business shall be as follows:

- (1) Call to Order
- (2) Program
- (3) Reading of Minutes
- (4) Report of the Treasurer
- (5) Report of the Committees
 - (a) Standing Committees
 - (b) Special Committees
- (6) Unfinished Business
- (7) New Business
- (8) Announcements
- (9) Adjournment

Section 2:

Robert's Rules of Order Revised shall be parliamentary authority.

ARTICLE II

DUTIES OF OFFICERS

Section 1:

The President shall preside at all meetings of the organization and perform all duties pertaining to the office. He/She shall, with the approval of the Board and members, appoint all standing and special committees, and he/she shall be an ex-officio member of all committees.

Section 2:

The Vice-President shall aid the President with all duties pertaining to the office. He/She shall in the absence of the President, perform all duties of the office of the President. He/She shall serve as chairman of the Audit Committee and shall furnish the Board and members with the findings of the said audit. He/She shall be an ex-officio member of all committees.

Section 3:

The Secretary shall keep an accurate record of all the proceedings of the organization and shall furnish the President copies of all minutes to be filed with the appropriate school board members. He/She shall conduct all correspondence of the organization as directed by the President, issue notices of all meetings of the organization, and shall read all communications directed to the organization at its scheduled meeting

time.

Section 4:

The Treasurer shall keep accurate records on the organization's fundraising and purchases. Books will be of audit quality to pass an annual audit by the school district or IRS authority. Accounts should be reconciled monthly, annual state sales tax reports filed and income tax reports to the IRS to be filed annually. Supply the President with monthly balance sheets on the organization's fund balance. Process checks for the organization's purchases approved by the President. Checks require the President's signature and one other authorized signee.

ARTICLE III ELECTION OF OFFICERS

The President shall appoint a nomination committee of three (3) active members at the December meeting. Parent Group members interested in on the Board positions will be required to contact one of the three (3) nomination committee members to place their name on the ballot. Nominations from the floor will be accepted as a write-in on the secret ballot issued at the January meeting. However, if there is only one candidate for any office, the election for the office may be held by voice. A majority vote constitutes an election to that position. Newly elected officers shall be installed at the March meeting. Term of office shall be for one year, commencing July 1 and ending June 30 of the following year.

ARTICLE IV DUES

Dues in the amount of _____ per family shall be paid to the Membership Committee chairperson who will turn over the funds to the Treasurer.

ARTICLE V COMMITTEES

There shall be standing committees elected at the time board member elections occur. The President retains the right to appoint any member in good standing to any committee created after elections which are held in March or fill any vacancy during that calendar year.
[List Committees]

ARTICLE VI AMENDMENTS

These bylaws may be amended at any regular meeting of the organization by a vote of the membership in attendance with at least 5% of the active members present, provided that the proposed

amendment shall have been submitted in writing to the Revision Committee and President for study.

Cleveland Independent School District Parent Group Registration & Approval

Name of the Organization	
Purpose of the Organization	
School/Student Group to be Supported	
Faculty Sponsor	
Current Number of Parent/Guardian Supporters	
Date Submitted	

We agree with the following statements:

☐ We have read the *Parent Group Manual* and agree to abide by the information included in the guidelines as well as information referenced in the guidelines.

☐ We understand that noncompliance with any district policy or criteria may result in the suspending or disbanding of the Parent Group by the district.

SUBMITTED BY: (signatures required)

	Name	Signature
Representative 1		
Representative 2		
Faculty Sponsor		

APPROVAL(S): (signatures required)

	Name	Signature	Approved / Denied [circle]
Campus Principal			Approved / Denied
Program Director			Approved / Denied

Authorization for Employee to Serve as an Officer

At times, Cleveland ISD knows it is difficult to fill officer positions with parents and guardians and employees are willing to serve in those roles. This form allows an employee to serve in an officer position, except for Treasurer. This form is to be completed to allow an employee to serve in this capacity.

Name of Organization	
Name of Employee	
Officer Position to be Filled	
Attempts Made to Fill Position with a Non-Employee Member	

Approval Signatures

	Name	Signature
President of Organization		
Campus Principal		
Program Director [if needed]		

Audit Reports

AUDIT REPORT TYPE A

Parent Group Name AUDIT COMMITTEE REPORT

Time Period: July 1, 20XX - June 30, 20XX

The financial data contained in the following financial statement(s) for the time period of July 1, 20XX, through June 30, 20XX, have been audited in detail by the Audit Committee members named below. These members agree that these financial statements are proper and correct to the best of our knowledge. No exceptions were noted during the review.

Printed Name	Title	Signature	Date

AUDIT REPORT TYPE B

Parent Group Name AUDIT COMMITTEE REPORT

Time Period: July 1, 20XX - June 30, 20XX

The financial data contained in the following financial statement(s) for the time period of July 1, 20XX, through June 30, 20XX, have been audited in detail by the Audit Committee members named below. These members agree that these financial statements are proper and correct, except for the following exceptions listed below.

Examples:

Check #5257 cleared the bank for \$25.20 instead of \$2.52.

Check #5263 did not have 2 authorized signatures as required by the Parent Group bylaws. The check only contained 1 authorized signature.

The Program Ad Expense account contains six expenses that did not have the related invoices as documentation for the expense. The undocumented expenses totaled \$42.87.

Printed Name	Title	Signature	Date

Audit Report Type C

Parent Group Name AUDIT COMMITTEE REPORT

Time Period: July 1, 20XX through June 30, 20XX

The financial data contained in the following financial statement(s) for the time period of July 1, 20XX, through June 30, 20XX, have been audited in detail by the Audit Committee members named below. These members agree that these financial statements are not proper and correct, due to the following exceptions identified below.

Examples:

No documentation of cost existed for the 100 new uniforms purchased.

Checking and savings accounts were not reconciled during the year.

Only one (1) authorized signature appeared on all checks written instead of the two (2) required authorized signatures.

To prevent the above exceptions from occurring in the future, the following steps should be taken:

Examples:

Documentation of all expenses, such as an invoice, should be received prior to payment of expenses. Documentation should be kept with the other Parent/Exempt Organization records.

All bank accounts should be reconciled on a monthly basis.

All checks issued should be signed by at least two authorized persons.

Printed Name	Title	Signature	Date

Financial Reports

Fundraising Forms

Donations Forms

Cleveland ISD Parent Organization Information Sheet

Please complete the information below regarding the parent organization you are representing. Any change in this information or membership in officers is to be updated using this form. All form submissions should be sent to the Campus Principal and the Deputy Superintendent (North) or Area Assistant Superintendent (South) annually by July 1st.

Name of Organization			
Campus		School Year	
Employer Identification Number			
Official Mailing Address and Email	Mailing Address: Email Address:		
Banking Institution			
Club Sponsor	[If PIE, please list the school principal.]		
Date of Form Submission	Date: _____ Check the appropriate statement regarding the purpose of this submission <div style="display: flex; justify-content: space-between;"> _____ Initial submission for the school year _____ Change in officer membership </div> <div style="display: flex; justify-content: space-between;"> _____ Change in information listed above _____ Change in chapter's guiding documents </div>		
Please provide a printed copy.	Organization's Constitution Organization's By-Laws Articles of Incorporation		
Printed Name of the Individual Submitting this Form:			
Signature of the Person Submitting this Form:			

Please complete Officer Membership on the back of this form.

Officer Membership

Office Held		Printed Name	
Phone Number		Email	
Home		Home	
Other		Other	

Office Held		Printed Name	
Phone Number		Email	
Home		Home	
Other		Other	

Office Held		Printed Name	
Phone Number		Email	
Home		Home	
Other		Other	

Office Held		Printed Name	
Phone Number		Email	
Home		Home	
Other		Other	

Office Held		Printed Name	
Phone Number		Email	
Home		Home	
Other		Other	

Office Held		Printed Name	
Phone Number		Email	
Home		Home	
Other		Other	

Parent Teacher Organization (PTO) SERVICE CONTRACT

I. The Parties. This Service Contract ("Agreement") made [DATE], is by and between:

Service Provider: [NAME OF SERVICE PROVIDER] with a mailing address of [MAILING ADDRESS] ("Service Provider"), and

Client: [NAME OF CLIENT] with a mailing address of [MAILING ADDRESS] ("Client").

Service Provider and Client are each referred to herein as a "Party" and, collectively, as the "Parties."

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual promises and agreements contained herein, the Client hires the Service Provider to work under the terms and conditions hereby agreed upon by the Parties:

II. Term. The term of this Agreement shall commence on [DATE] and terminate: (check one)

- ☐ - **At-Will:** Written notice of at least [#] days' notice.
- ☐ - **End Date:** On [DATE].
- ☐ - **Other:** [OTHER].

III. The Service. The Service Provider agrees to provide the following: [DESCRIBE].

Hereinafter known as the "Service".

The Service Provider shall provide, while performing the Service, that he/she/they shall comply with the policies, standards, and regulations of the Client, including local, State, and Federal laws and to the best of their abilities.

IV. Payment Amount. The Client agrees to pay the Service Provider the following compensation for the Service performed under this Agreement: (check one)

- ☐ - \$[#] / Hour
- ☐ - \$[#] / per Job. A "Job" is [DESCRIBE].
- ☐ - Other: [DESCRIBE].

Hereinafter known as the "Payment Amount".

V. Payment Method. The Client shall pay the Payment Amount: (check one)

- ☐ - When Invoiced
- ☐ - Daily
- ☐ - Weekly
- ☐ - Bi-Weekly
- ☐ - Monthly

☐ - Other: [DESCRIBE].

Hereinafter known as the "Payment Method". The Payment Amount and Payment Method collectively shall be referred to as "Compensation".

VI. Inspection of Services. Any Compensation shall be subject to the Client inspecting the completed Services of the Service Provider. If any of the Services performed by the Service Provider pursuant to this Agreement are defective or incomplete, the Client shall have the right to notify the Service Provider, at which time the Service Provider shall promptly correct such work within a reasonable time.

VII. Return of Property. Upon the termination of this Agreement, all property provided by the Client, including, but not limited to, cleaning supplies, uniforms, equipment, and any other items must be returned by the Service Provider. Failure to do so may result in a delay in any final payment made by the Client.

VII. Time is of the Essence. Service Provider acknowledges that time is of the essence in regard to the performance of all Services.

IX. Confidentiality. Service Provider acknowledges and agrees that all financial and accounting records, lists of property owned by Client, including amounts paid, therefore, client and customer lists, and any other data and information related to the Client's business is confidential ("Confidential Information"). Therefore, except for disclosures required to be made to advance the business of the Client and information which is a matter of public record, Service Provider shall not, during the term of this Agreement or after its termination, disclose any Confidential Information for the benefit of the Service Provider or any other person, except with the prior written consent of the Client.

- a.) **Return of Documents.** Service Provider acknowledges and agrees that all originals and copies of records, reports, documents, lists, plans, memoranda, notes, and other documentation related to the business of the Client containing Confidential Information shall be the sole and exclusive property of the Client and shall be returned to the Client upon termination of this Agreement or upon written request of the Client.
- b.) **Injunction.** Client agrees that it would be difficult to measure damage to the Client's business from any breach by the Service Provider under this Section; therefore, any monetary damages would be an inadequate remedy for such breach. Accordingly, the Service Provider agrees that if he/she/they should breach this Section, the Client shall be entitled to, in addition to all other remedies it may have at law or equity, to an injunction or other appropriate orders to restrain any such breach, without showing or proving actual damages sustained by the Client
- c.) **No Release.** Service Provider agrees that the termination of this Agreement shall not release him/her/they from the obligations in this Section.

X. Taxes. Service Provider shall pay and be solely responsible for all withholdings, including, but not limited to, Social Security, State unemployment, State and Federal income taxes, and any other obligations. In addition, Service Provider shall pay all applicable sales or use taxes on the labor

provided and materials furnished or otherwise required by law in connection with the Services performed.

XI. Independent Contractor Status. Service Provider acknowledges that he/she/they are an independent contractor and not an agent, partner, joint venture, nor an employee of the Client. Service Provider shall have no authority to bind or otherwise obligate the Client in any manner, nor shall the Service Provider represent to anyone that it has a right to do so. Service Provider further agrees that in the event the Client suffers any loss or damage as a result of a violation of this provision, the Service Provider shall indemnify and hold harmless the Client from any such loss or damage.

XII. Safety. Service Provider shall, at his/her/their own expense, be solely responsible for protecting its employees, sub-Service Providers, material suppliers, and all other persons from risk of death, injury or bodily harm arising from or in any way related to the Services or the site where it is being performed ("Work Site"). In addition, Service Provider agrees to act in accordance with the rules and regulations administered by federal law and OSHA. Service Provider shall be solely responsible and liable for any penalties, fines, or fees incurred.

XIII. Alcohol and Drugs. Service Provider agrees that the presence of alcohol and drugs are prohibited on the Work Site and while performing their Services. If the Service Provider or any of their agents, employees, or subcontractors are determined to be present or with alcohol or drugs in their possession, this Agreement shall terminate immediately.

XIV. Successors and Assigns. The provisions of this Agreement shall be binding upon and inured to the benefit of heirs, personal representatives, successors, and assigns of the Parties. Any provision hereof which imposes upon the Service Provider or Client an obligation after termination or expiration of this Agreement shall survive termination or expiration hereof and be binding upon the Service Provider or Client.

XV. Default. In the event of default under this Agreement, the defaulted Party shall reimburse the non-defaulting Party or Parties for all costs and expenses reasonably incurred by the non-defaulting Party or Parties in connection with the default, including, without limitation, attorney's fees. Additionally, in the event a suit or action is filed to enforce this Agreement or with respect to this Agreement, the prevailing Party or Parties shall be reimbursed by the other Party for all costs and expenses incurred in connection with the suit or action, including, without limitation, reasonable attorney's fees at the trial level and on appeal.

XVI. No Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a continuing waiver, and no waiver shall be binding unless executed in writing by the Party making the waiver.

XVII. Governing Law. This Agreement shall be governed by and shall be construed in accordance with the laws in the State of Texas.

XVIII. Severability. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

XX. Additional Terms & Conditions. [DESCRIBE]

XIX. Entire Agreement. This Agreement constitutes the entire agreement between the Parties to its subject matter and supersedes all prior contemporaneous agreements, representations, and understandings of the Parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all Parties.

IN WITNESS WHEREOF, the Parties hereto agree to the above terms and have caused this Agreement to be executed in their names by their duly authorized officers.

Client's Signature _____ **Date** _____

Print Name _____

Service Provider's Signature _____ **Date** _____

Print Name _____

Parent Organization Fundraising Activity Form

SECTION 1 – GENERAL INFORMATION

Campus Name	Today's Date	Name of Organization
Contact Name	Contact Phone #	Contact Email

SECTION 2 -FUNDRAISER INFORMATION

Type of Fundraiser				
Vendor Name	Date(s) fundraiser/event will take place			Will distribution to students occur during school hours?
	From:		To:	Yes <input type="checkbox"/> No <input type="checkbox"/>
				(time)
Method of advertisement must be attached. (Specify)	Flyer <input type="checkbox"/>		Other <input type="checkbox"/>	
What type of merchandise/service will be sold/provided and how?				
What will the funds generated be used for? Be specific.				

SECTION 3 – ACKNOWLEDGEMENT & REQUIRED SIGNATURES

I certify that I will conduct this fundraiser in compliance with district policies. I understand that I am personally responsible for all funds collected and for keeping accurate records. I will exercise strict control over all products in my possession. Acknowledge by signing and dating below.

Sponsor's Name:	Sponsor's Signature:
Principal's Name:	Principal's Approval Signature:
Date:	Date:
Secretary's Name:	Secretary's Signature:
Deputy Superintendent's Approval (North) Area Assistant Superintendent's Approval (South)	Superintendent's Approval (if needed)
Date:	Date: