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COLORADO RIVER UNION HIGH SCHOOL DISTRICT

GUIDELINES FOR

PARENT SUPPORT ORGANIZATIONS AND BOOSTER CLUBS

PARENT SUPPORT ORGANIZATIONS AND BOOSTER CLUBS

Parent Support Organizations contribute to the success of the Colorado River Union High School District and can also provide the opportunity for parents and other community members to engage in fundraising activities for their local school. As Parent Support Organizations begin to participate in fundraising activities, tax reporting and legal issues may arise. The following is for information purposes only and does not constitute the Colorado River Union High School Districts rendering tax or legal advice. It is recommended that all supporting organizations consider consulting a legal or tax professional with questions that may arise during the course of business. The students, teachers, staff, and administration thank you for your support.

DEFINITIONS AND RESPONSIBILITIES

Parent Support Organization/Booster Club – A group of parents and/or community members who are organized to support a school-sponsored sport, activity, class or program. Parent Support Organizations support student groups, school activities, or programs. Support may be as simple as providing refreshments for a particular event, or support may be as complex as raising money for an out-of-state competition. The Parent Support Organization works through the Sponsor to provide assistance for the planned activities of a student group; however, the Parent Support Organization does not have the authority to decide the activities or trips in which the student groups will participate. The Parent Support Organization may provide suggestions about particular activities; however, the Sponsor is responsible for the final decision with the Principal's or Administrator's approval.

Parent Support Organization Group Member – A person who is an official member of a Parent Support Organization and, as such, is required to follow any and all rules guiding members as delineated in the bylaws or other official documents. Individual members do not have any express authority on behalf of the Parent Support Organization, unless as delineated by an office they hold and the duties and



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responsibilities of said office. Members at large should avoid any activity that could be construed as being a conflict of interest. Members may be charged a nominal fee for membership.

Parent Support Organization Council – A representative body of parents, Principals, Athletic Directors and staff/teachers/sponsors created for the purpose of supporting and representing each of their school's clubs and programs.

Sponsor/Liaison – A designated club sponsor or site staff member that serves as the Liaison between the Parent Support Organization and the District under the supervision of the Principal or Administrator. The liaison is responsible for recommending the various activities in which a student group will participate or fundraising needs with the approval of the Principal or Administrator. In addition, the Sponsor should work very closely with the Parent Support Organization and provide guidance to the organization. The Sponsor should not be considered an officer or member of the Parent Support Organization or participate or be present in meetings specific to financial decisions/voting.

Principal or Administrator – The Principal or Administrator is responsible for approving the activities of the student group and some activities of the related Parent Support Organization such as on campus fundraising activities, facilities rentals, and off campus activities that include students.

Donor – A parent, community member or organization that provides funds to a Parent Support Organization or directly to the School District to support an activity or program. A person who makes a financial donation cannot expect any preferential treatment, receive any extra benefit or perceived benefit or have special access to staff or facilities or other preference unless expressly delineated as the condition of the funds donated (e.g. auction of a parking place) and approved by District Administration and the Governing Board.

Staff – Paid employee of the District, including administrators, teachers, support staff and coaches

GUIDELINES FOR OPERATION AND FINANCIAL RESPONSIBILITY

- Parent Support Organizations must obtain approval and support from the supported school's administration prior to forming and conducting business.
- The Parent Support Organization should develop and adopt bylaws. These bylaws should include provisions for officers and their duties and term of office, electing or changing officers when necessary, amending the bylaws, and following Robert's Rules of Order.



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- Officers of the organization should be established as defined in the bylaws (usually: President, Vice President, Secretary, Treasurer).
- CRUHSD employees shall not serve as officers of the organization. CRUHSD employees can serve in a non-officer capacity but neither the employee or their spouse can be an authorized signer on any Parent Support Organization/Booster Club bank account. Employees who serve as general members should be cognizant of potential conflict of interest situations or scenarios that can give the appearance of undue influence and remove themselves from voting on any matter which may be perceived as a conflict of interest.
- The organization should develop an annual budget plan and goals for the organization, and plan activities for the year based on the budget and shared site/parent organization goals.
- The Treasurer should produce a monthly financial report after the receipt of each bank statement. The report should identify all revenue sources during the month and reconcile with the deposits on the bank statement. The report should itemize all expenditures paid during the month (including online payment and debit transactions and bank fees/miscellaneous charges), listing by date, check number (if applicable), who it is written to, description of expense, and dollar amount. Cash balances on the report should be reconciled to cash balances on the bank statement monthly. This reconciliation should be reviewed by a non-signatory prior to presentation and approval by the organization's Board. Copies of the report and bank statement (with account number not showing) should be made available to all board members monthly and any other members that request the report or show interest. Board members should vote approval of the financial report(s) after being presented at all regular Board meetings. Approval should be noted in the minutes. Similarly, the financial reports should be presented and approved at all regular meetings of the general membership, with approval noted in the minutes. The financial reports should be maintained with the minutes for a minimum of three years.
- Checking accounts should require two signatures on all checks. Monthly bank statements should be mailed to a P.O. Box and not an individual's home. Debit cards and online expenses payment services may be used, but it is highly recommended that strong policies be implemented which limit the number of cardholders/users and establish spending limits and expenditure purposes (such as budgeted or pre-approved purchases only).
- To comply with the 2-signature requirement for checks, it is recommended that at least three, preferably four, people be authorized to sign checks.



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- Money collected through fundraisers and other organization activities should be accounted for, verified by, and prepared for deposit at the bank by TWO individuals. A duplicate deposit slip should be prepared.
- Minutes of each Board Membership meeting should be produced, distributed to members, and maintained for at least three years. Copies of the same should be on file in the respective school offices.
- General liability, Officer and Director Insurance and event specific insurance policies should be obtained as part of the organization's business practices.
- Students are not permitted to babysit for Booster/PTO or any other meetings. Their services are not covered by the District's Insurance policy. Students have not been screened/fingerprinted as regular employees have been.
- The District reserves the right to countermand any decision affecting the District's students or property.
- If a parent organization wishes to compensate a District employee for services (custodial, security, choreography, etc.), the employee must be paid through the District so that proper payroll deductions are withheld. The parent organization should coordinate with Site Administration regarding reimbursement and/or donation procedures related to the payment of wages and benefits.
- When a Parent Support Organization dissolves, any remaining monies should be donated to the appropriate student club or site gifts and donations fund.

Expectations of Parent Support Organizations and Parent Support Organization Members include:

- Volunteering time and services to support the program.
- Participating in appropriate fundraising opportunities.
- Contributing funds to better enhance the team or organization's performance.
- Financially supporting the program by providing additional funding for the program.
- Listening to and working closely with the sponsor and school Administration.
- Making donations to the School District/program in compliance with policies and procedures.
- Communicating via Web sites, e-mail and social media in support of the program. Information should be timely and accurate, with key content approved by District Administration and the school sponsor



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Actions Parent Support Organizations and Parent Support Organization Members are discouraged from:

- Openly discussing or performing a performance review of the sponsor, coach or other staff member. Staff evaluations are solely the responsibility of the School District.
- Openly discussing playing time or participation issues of students.
- Leveraging funding of the program in order to control the hiring or firing of the sponsor or other staff members.
- Offering up a petition by Parent Support Organization members to hire/fire a sponsor/staff member.
- Planning, organizing or attempting to implement an off-season training program without direction or consent from the sponsor/staff member or appropriate School Administrator.
- Discussing, as official business, any item that does not meet the definition and function of a Parent Support Organization as outlined in this document.
- Discussing any issues involving students that violate a student's right to privacy as delineated in Governing Board Policy.
- Participating in activities that violate policies and procedures of the Arizona Interscholastic Association (AIA).
- Recruiting players/students to attend/participate in the program in violation of District policy and AIA rules.

IMPORTANT NOTE: CRUHSD values the participation and contribution of our Parent Support Organizations. Please know that violation of District, State and Federal procedures, policies and laws may include, but not be limited to, revocation of use of District facilities.

LEGAL AND TAX ISSUES

All Parent Support Organizations, PTSOs, PTAs and Booster Clubs are legally separate entities from the Colorado River Union High School District. The organizations need to have their own bank accounts and taxpayer identification numbers. Parent groups cannot use the District's taxpayer identification number, accept donations on behalf of the District or issue a donation acknowledgement letter on behalf of the District. Parent organizations may consider incorporation to provide a legal shield against certain



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liabilities that may pass through to the officers or members of the organization. Nonprofit incorporation also serves as the foundation for the organization to apply for tax-exempt status. If a parent organization chooses to pursue this option, the organization will need to contact the Arizona Corporation Commission (ACC) as well as draft articles of incorporation, bylaws and possibly annual filing with the Arizona Secretary of State. TAX ISSUES A parent organization can complete an I.R.S. Application for Recognition of Exemption (Package 1023) to be recognized as a 501(c)(3) organization. “Parent-teacher associations” are specifically cited in the I.R.S. guidelines as examples of organizations that are suitable for 501(c)(3) tax-exempt status. Tax-exempt status offers many advantages including:

- The organizations revenues will be exempt from federal and Arizona income tax.
- Contributors to the organization are permitted to take a charitable deduction for donated cash or goods.
- The organization is eligible for a bulk-mailing permit from the U.S. Postal Service.

It is recommended that parent organizations and Parent Support Organizations visit the I.R.S. website (<http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations>) to review Publication 557 – Tax-Exempt Status for Your Organization and Publications 4220 and 4221 to see what tax filing requirements may apply to a Parent Support Organization.

FUNDRAISER REQUIREMENTS

- ***All fundraisers occurring on school district property must be approved by each school site’s student council and / or administration.***

All outside parent organizations should provide a detailed listing of their projected fundraising activities to the school they support each year. This will include Parent Support Organization fundraisers with local corporate sponsors including grocery stores and other retailers that make donations based on patron purchases. When Parent Support Organizations and Student Activity groups are involved in joint fundraising, the Attorney General has concluded that the proceeds must be allocated proportionately between the two entities, based on effort devoted by each group. The principal or designee is responsible for determining that effort and related allocation in advance of the fundraiser. This allocation is required per the Uniform System of Financial Records of Arizona School Districts (USFR), Appendix H and Attorney General (AG) (Opinion I84-032) Parent Support Organizations should provide Site Administration with detailed information regarding each fundraiser including logistics, volunteer names and schedules at least 10 business days prior to the fundraising event. Fundraising activities including the sale of food must comply with the Colorado River Union High School District’s policies regarding food being sold on campus. The detailed fundraising information should include:



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- Purpose of the fundraiser,
- Type of fundraising activity (i.e., food sales, carnival, coupon books),
- Date(s), time(s), and place(s) of the activity,
- Name of the sponsoring organization,
- Name and phone number of organization's representative(s),
- Name and phone number of person(s) in charge of the fundraiser, and
- Name and phone number of the person(s) who will be handling the money for the fundraiser

The Parent Support Organization cannot require members or students to fundraise or to raise a certain amount. For example, a student's ability to attend a trip cannot be based on raising a certain amount of money. The Parent Support Organization may track funds for each student for accounting purposes only. Students shall not be denied the opportunity to participate in a school-sponsored activity because of an inability to fundraise. Fundraising is an opportunity to generate revenue for the Parent Support Organization as a group and is not intended for individuals. Therefore, revenues should be recorded in a group account from which all members or students have the opportunity to benefit equally. One member or student should not receive a larger benefit from fundraising than another. In addition, if a member or student chooses not to participate in the fundraiser, that person still receives an equal benefit from the revenues generated. For any "school-approved" fundraiser, on or off campus, at least one school employee must be present for supervision and safety purposes. If a school employee cannot be present, a School or District approved adult or volunteer may be acceptable. If no students are involved and the fundraiser is not on campus, neither CRUHSD nor school approval is needed.

Fundraisers Involving Students have Special Requirements

- If a parent organization plans a fundraiser that will involve student effort, the parent organization and the school principal (or the student club sponsor) should agree in advance to an allocation of proceeds. The allocation must be based on the level of effort devoted by each group. This allocation is required per the Uniform System of Financial Records of Arizona School Districts (USFR), Appendix H. Attorney General (AG) (Opinion I84-032).
- Parent organization fundraisers that will involve students should be reviewed and approved by school Administration prior to the fundraiser taking place.



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PARTICIPATION FEES AND TAX CREDIT PAYMENTS

Parent Support Organizations are prohibited from collecting student participation fees or tax credit payments for a school sponsored event or programs. These types of payments need to be made at the school through CRUHSD approved procedures.

RAFFLES

Per Arizona Attorney General Opinion I84-018 School District clubs are prohibited from holding raffles. Even if the activity is called something other than a “raffle” the activity is prohibited if it involves the selling of a ticket for the chance to win a prize through a drawing. Generally, entities that are not school controlled (such as off-campus, clubs, clubs sponsored by civic groups, or parent-teacher organizations) and entities that also fit within the tax exempt categories defined by A.R.S. 43-1201 may hold raffles if they also meet the requirements of A.R.S. 13-3302.

In order to be eligible, the outside organizations need to also meet the following tests:

- The organization must be exempt from federal income tax under Section 501 of the Internal Revenue Code.
- No person except a bona fide local member of the sponsoring organization may participate directly in the management, sales or operation of the raffle.
- A nonprofit organization that is a booster club, a civic club or a political club or political organization that is formally affiliated with and recognized by a political party in this state may conduct a raffle (subject to restrictions noted in the statute). Due to the state imposed restrictions on public schools holding raffles, and statutory restrictions on entities that are eligible to legally hold a raffle in the State of Arizona, outside organizations should not advertise or conduct raffles on school property or use school resources, students, or staff to sell raffle tickets.

PURCHASING, DONATIONS AND GIFTS

Parent Support Organizations may aid the school or program with the purchase of needed athletic equipment, uniforms and other supplies as determined by the program and the CRUHSD staff and Administrator. CRUHSD prefers purchasing through donated funds to the District instead of direct purchasing by the parent organization.

Direct Purchasing



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In the event the Parent Support Organization wishes to purchase items directly, they must do so in compliance with the bylaws and guidelines of the Parent Support Organization. Direct purchasing of tangible items requires a formal in-kind donation to the District. Items purchased by a parent organization must be billed to that organization. The School/District will not be responsible for the purchase of items directly ordered by a Parent Support Organization. Purchase by Donation of Funds to the District Parent Support Organizations wishing to purchase athletic equipment for their teams must go through the Sponsor/Site Administration and the athletic department for approval. The organization should not purchase equipment independently. After the equipment request is approved by Site Administration, the Parent Support Organization should donate the funds to the school's team/program, specifying the intended purpose and restricting the donation.

Cash and In-Kind Donations

All donations should be presented to school administration for acceptance by the Governing Board.

Funding of Consultants or Off-Season Staff

Parent Support Organizations are discouraged from hiring District staff directly for off-season or special consultant activities and camps. Instead, Parent Support Organizations are encouraged to make donations to the district for such specified purposes.

COMMUNICATIONS AND ADVOCACY

Parent Support Organizations are independent of CRUHS D but must still abide by some of the laws that regulate school communications.

- All school related information that parent organizations want to send home in the hands of students must receive prior approval of the Site Administrator or CRUHS D Public Relations.
- The following disclaimer must be prominently displayed or affixed to the material for a non-school sponsored activity: *The Colorado River Union High School District neither endorses nor sponsors the organization or activity represented in this material. The distribution or display of this material is provided as a community service.*
- All parent communications sent via the parent organization e-mail system are not subject to administrative approval but should be shared with Site Administration prior to distribution as a matter of practice.



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- Schools resources are NEVER allowed to be used for any advocacy, including elections and ballot measures. To be both legally politically active and compliant with Arizona state laws regarding school resources, please follow these guidelines:
 - o When advocating for or against any ballot measure, do not use any school resources, including District email, school copiers, paper, phones, and property.
 - o When advocating for or against any ballot measure, do not send literature home with students.
 - o A parent support organization can send information directly to an employee's personal email using the parent organization's email system and not District resources.

PARENT SUPPORT ORGANIZATION CHECKLIST

The following Checklist serves as a guide to help ensure that your Parent Support Organization has complied with the District's policies, guidelines and federal and state regulations governing Parent Support Organizations. In addition, information you document here will help future officers continue your compliance efforts. General

- Provide CRUHSD Internal Audit and the site Principal or Administrator with a list of the Parent Support Organization Officers and sponsor/liaison at the beginning of each school year and as Officers change. The list should include:

- o Name o Office Held o Authorized signatories on bank account(s)
- o Mailing Address o Must be the official address of the Parent Support Organization
- o Home Phone Number o Work Phone Number o Cell Phone Number o E-mail Address

- Provide the School Principal or Administrator with the Parent Support Organization's constitution or bylaws. In addition, provide updated copies as amended.

Insurance

- The Parent Support Organization should consider purchasing a general liability, event liability, and/or fidelity (bond) insurance coverage policy.

Fundraisers



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- For the fundraisers planned, such as on campus fundraising activities and off campus activities that include students. Request approval from student council / site administration.

In addition, provide the Sponsor with detailed information, including logistics, volunteer names and schedules at least 10 business days prior to the fundraising event. Fundraising activities including the sale of food must comply with CRUHSD policies regarding food being sold on campus. The detailed fundraising information should include:

- o Purpose of the fundraiser
- o Type of fundraising activity (i.e., food sales, carnival, coupon books)
- o Date(s), time(s), and place(s) of the activity
- o Name of the sponsoring organization
- o Name and phone number of organization's representative(s)
- o Name and phone number of person(s) in charge of the fundraiser
- o Name and phone number of the person(s) who will be handling the money for the fundraiser Financial Matters
- o The Parent Support Organization's Employee Identification Number (EIN) or Tax Identification Number (TIN) should be used when opening a bank account. Do not use an individual's social security number, and do not use the District's EIN. The TIN should be issued by the Internal Revenue Service.

Federal and State Reporting and Compliance

- Determine whether your organization is in good standing with the state of Arizona, specifically the Corporation Commission and the Arizona Department of Revenue (if applicable) and Arizona Secretary of State.
- Determine whether your organization is in good standing with the IRS.
- Present a written Treasurer's Report at every meeting that includes the general membership.
- File the Parent Support Organization's reports as required by the Arizona Corporation Commission and Arizona Secretary of State.
- Review IRS requirements and determine which tax filings and forms need to be issued and filed each year. (For example, 990, 990-EZ, or 990-N and 1099 forms.)

STATE REGULATORY INFORMATION



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- The Arizona Corporation Commission governs the conduct and compliance of all for profit and non-profit organizations in the state of Arizona. Filings with the Corporation Commission generally require fees. Detailed information may be found on the website: <http://www.azcc.gov>
- Parent Support Organizations must file initially to become a legal organization if they intend to provide significant financial support for a school program.
- An annual report must be filed with specific information each year as required by the Corporation Commission. Filing may be done electronically if the organization meets the criteria as listed.
- If an organization makes changes, it may be required to submit articles of amendment.
- If an organization is going to be dissolved, a dissolution form must be submitted and the District must be notified. • An annual renewal must be filed with the Arizona Secretary of State. More information is available on the website: <http://www.azsos.gov>