

SCHOOL RELATED FOUNDATIONS

A *school-related foundation* is an Alabama nonprofit corporation that falls within the parameters of § 501(c)(3) of the Internal Revenue Code and is legally separate from Athens City Schools, but which is organized and existing primarily for the benefit/support of Athens City Schools. While these school-related foundations may perform a wide range of functions, they are established and organized solely for the school system's benefit, and their primary purpose is to raise private gifts to supplement other institutional resources and to manage their distribution.

A formal agreement must be executed between each school-related foundation and the Athens City Board of Education. The agreement authorizes the school-related foundation to operate as a supporting organization for Athens City Schools and enumerates its activities. Each school-related foundation's fundraising activities, as they relate to the school system, its goals, and its programs, must be approved by the Superintendent.

A school-related foundation shall engage in the following activities:

1. A school-related foundation may receive and manage gifts and assets in support of Athens City Schools programs and activities in accordance with the school-related foundation's charter and applicable laws and regulations. Donations may be solicited from the public at large, as well as from Athens City Schools employees, but no such employee shall be required or coerced in any manner to donate to a school-related foundation. In the exercise of this responsibility, the school-related foundation shall also:

- a. Ensure that the proceeds of fundraising are appropriately recorded, credited, acknowledged, and administered based on legal requirements, ethical constraints, proper corporate governance, the school system's applicable policies, and sound accounting principles.

- b. Adopt, maintain and enforce duly-adopted policies which prohibit school-related foundation officers, directors, and employees from engaging in actions or becoming involved in circumstances that conflict with the interests of Athens City Schools or the Alabama State Department of Education, or the school-related foundation.

- c. Periodically take reasonable steps to inform the school-related foundation's officers, directors and employees of the existence of statutory and regulatory directives and constraints, as well as policies, guidelines and practices that apply to the school-related foundation's activities.

- d. Obtain reasonable and prudent insurance coverage to cover customary risks pertaining to the school-related foundation's operations.

2. As may be mutually agreed between the school-related foundation and Athens City Schools, receive and acquire on behalf of Athens City Schools certain real and personal property that supplement Athens City Schools equipment and facilities, and provide a mechanism to help the school system meet its equipment and facility needs.

3. Consistent with its mission to help advance the plans and objectives of the school system, accept a license from Athens City Schools to use its name, symbols, and its trademarks, in association with activities in support of the school system, pursuant to a written agreement between the school-related foundation and the Athens City Board of Education. The Board shall reserve the right to withdraw or condition such license in its sole discretion. Nevertheless, the school-related foundation's publications and representatives shall prominently display and utilize the school-related foundation's corporate name and the school-related foundation shall operate under its own seal and logotype.

4. Provide other support services to Athens City Schools in support of its educational mission, with the prior written approval of the Superintendent.

5. School-related foundations shall not engage in the following activities: (a) activities that are prohibited by law, regulation, or are in conflict with guidelines or policies of the Athens City Board of Education or the Alabama Department of Education; and (b) the hiring or compensation of persons/employees who are also employed by Athens City Schools.

All school-related foundations must be duly incorporated. The school-related foundation must be a non-profit corporation organized and existing under the laws of the State of Alabama, tax-exempt under §501(c)(3) of the Internal Revenue Code (IRC), and classified as a "supporting organization" to the school system within the parameters of §509(a)(3) of the Internal Revenue Code and applicable regulations. If the school-related foundation has obtained tax exempt status other than as a "supporting organization," it should report its status to the Superintendent, for consideration of whether its particular status should continue, or be amended to comply with this paragraph.

The Superintendent (or his/her designee) shall be an *ex officio* non-voting member of the Board of Directors of each school-related foundation. No school system employee may serve on the board of, or as an officer of the school-related foundation, except as may serve in an *ex officio* capacity, without the prior written authorization of the Superintendent. No *ex officio* officer or member of the school-related foundation's Board shall serve as President, Chief Executive Officer or Chair of the school-related foundation or of any of its subsidiaries. Any exceptions to this structure require the Superintendent and Board of Education's approval.

Each school-related foundation must prepare annual financial statements in conformity with generally accepted accounting principles, and provide them to the school system. The books, records, financial condition, operating results, and program activities of the school-related foundation (and any affiliate(s)) are subject to inspection and periodic audit by the Superintendent and his/her designees. All audit reports from whatever source, including the certified (consolidated) financial statements and management letters of the school-related foundation (and any subsidiaries), must be reviewed by the Superintendent.

The articles of incorporation and other organizing documents of each school-related foundation (and any subsidiary) must provide that the net assets of the organization be distributed to Athens City Schools in the event that the school-related foundation is dissolved.

SOURCE: Athens City Board of Education, Athens, AL
ADOPTED: October 27, 2022