



Frederick County Public Schools

Parent Organization Guidelines

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Forward

Frederick County Public Schools (FCPS) greatly values its partnerships with parent organizations, recognizing their crucial role in enriching the educational experience for students. To support effective collaboration, ensure financial transparency, and maintain compliance with district, state, and federal regulations, FCPS has established clear guidelines for parent organizations. These guidelines outline best practices for financial management and clarify the roles and responsibilities of both the parent organization and the school, all in support of our shared mission to promote student success. We appreciate your continued dedication to these standards as we work together to enhance our school community.

This manual serves as a resource for officers and members of parent organizations by providing guidance on organizational and financial practices. Only approved organizations that operate in accordance with state and federal laws, FCPS School Board policies, and the FCPS Parent Organization Guidelines are permitted to use the school's name and/or facilities in support of their programs.

Appendix A at the end of this manual contains helpful forms for parent organizations. Additional resources and information can be found on the IRS website (irs.gov), the Virginia Tax Department website (tax.virginia.gov), and the FCPS website (frederickcountyschoolsva.net).

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GENERAL GUIDELINES

In Frederick County Public Schools (FCPS), we encourage the participation and involvement of parents in the education of their children. Parents can be involved through participation in voluntary parent organizations such as Parent Teacher Student Organization (PTSO), Parent Teacher Associations (PTA), and booster organizations.

- A PTA/PTSA is formed to promote the general welfare of the entire student body at a particular school. The Virginia PTA publishes governance for members on its website: <http://vapta.org/>.
- A booster organization is formed to enrich the school's participation in extracurricular activities and normally involves an individual student group (band, athletics, etc.). Booster clubs operate autonomously of the school District as separate parent organizations even though they generally exist solely to support school activities.
- The principal of schools must approve the formation of all parent organizations.
- The FCPS Parent Organization Guidelines are a consolidation of updated guidelines and previously issued documents designed to provide parent organizations, principals and sponsors with financial procedures that are mandated by state and federal law, the Internal Revenue Service (IRS), School Board policy, administrative directives and good business practices.
- The responsibility for accounting, safeguarding and disbursement of funds rests with the parent organization officers. The principal may act in an advisory capacity only.
- This manual provides general, not specific or all-inclusive, tax information as it relates to parent organizations. It is each organization's sole responsibility to seek competent professional tax assistance for its own tax reporting requirements.
- Parent organizations should strive to remain in good standing with all federal and state agencies. This includes paying all taxes and other debts incurred by the organization.
- A parent organization may not represent the School System nor bind the district or any of its employees to a third party with which the organization may conduct business.
- A petty cash or miscellaneous fund for a teacher, coach or sponsor to use at his/her discretion may not be established. However, funds may be provided, with the approval of the principal, and deposited into the school's student activity fund accounts for the teacher to use as class funds.
- All meetings of parent organizations must be public meetings.

- All coaches, band directors, assistant band directors, band auxiliary coordinators (drill and flag), athletic trainers and camp assistants are considered employees of Frederick County Public Schools by IRS definition and payments to these staff members must be processed through Frederick County Public Schools payroll.
- Minutes of all parent organization meetings should be kept in writing in the permanent records of the organization.
- Each parent organization shall operate under bylaws and shall submit a current copy to the principal.
- All parent organizations must obtain a unique tax identification number/Employer Identification Number (EIN). Parent organizations are not permitted to use the District's EIN or its tax-exempt certificate.
- Each school principal is directly responsible and should authorize all fundraising activities, including those sponsored by parent organizations, carried on in his/her school.

FORMATION OF A PARENT ORGANIZATION

VIRGINIA NONSTOCK CORPORATION (Formerly Articles of Incorporation)

A non-profit organization is created by filing articles of incorporation with the Office of the Clerk and obtaining a certificate of incorporation issued by the Commission. The Clerk's Office has produced a guide form to help prepare articles of incorporation, Form SCC819, http://www.scc.virginia.gov/clk/vanon_corp.aspx which contains all of the provisions that are needed to meet the minimum filing requirements under Virginia law. However, the articles may need to include additional provisions to meet other government standards. For example, the IRS requires certain provisions in the articles of incorporation in order for a corporation to be recognized as a 501 (c)(3) charitable organization.

Tax-exempt status is granted by the Internal Revenue Service. In order to be recognized as a tax exempt organization, the articles of incorporation for a nonstock corporation must include various provisions that are identified in IRS publication 557, Tax-Exempt Status for Your Organization <http://www.irs.gov/publications/p557/ch03.html>. When you prepare the articles of incorporation for filing with the Office of the Clerk, you will need to include the requisite IRS provisions within the document if the corporation intends to apply for tax-exempt status. The provisions may not be included as an attachment, nor may they be set forth after the signature of the incorporator(s). Furthermore, the Office of the Clerk does not review the sufficiency of the tax-exempt provisions, and does not return articles to you for amendment if they are missing. Accordingly, you are urged to properly include these provisions in your original articles of

incorporation, as adding them later by articles of amendment can be cumbersome. For more information regarding tax-exempt organizations, contact the IRS at 877-829-5500.

501(c)(3)

A parent organization may qualify for tax-exempt status if it is organized and operated exclusively for an educational, charitable, religious, or other exempt purpose under 26 U.S.C. § 501(c)(3). An organization is generally considered to operate exclusively for an exempt purpose if the organization engages primarily in activities which accomplish the tax-exempt purpose. Thus, if a substantial portion of the parent organization's activities does not further its tax-exempt purpose, the parent organization may forfeit its tax-exempt status. In other words, if the activities benefit a particular individual, as opposed to a group, then there is a potential that the club could be deemed to promote private, as opposed to exempt interests. If the parent organization consistently "credits" individual students for his or her efforts, an argument could be made that the booster club is operating for the benefit of private interests.

The IRS forbids any earnings of a § 501(c)(3) organization from inuring to the benefit of any director or officer of a tax-exempt organization, or any person having a personal or private interest in the activities of the tax-exempt organization. See 26 U.S.C. § 501(c)(3) at this link <http://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/pdf/USCODE-2011-title26-subtitleA-chap1-subchapF-partI-sec501.pdf>. The parent organization must be careful that it is not organized or operated for the benefit of private interests—such as the interests of individual students by way of "earmarking" funds that he or she raises. Similarly, if a donation is made to a booster club on behalf of an individual student and is set aside for his or her benefit, it could violate § 501(c)(3).

Although a booster club may be able to comply with the Internal Revenue Code and still recognize and reward individual students according to their fundraising efforts, care should be taken to avoid jeopardizing the organization's tax-exempt status. Regardless, any funds that are donated to or raised by the booster club should always be controlled by the booster club. Above all, the funds should always be used to further the tax-exempt purposes of the booster club as a whole. To avoid any potential violation of the Internal Revenue Code, however, it is recommended that booster clubs do not establish individual fundraising accounts or "earmark" funds for individuals.

BYLAWS

Each parent organization must maintain bylaws that are reviewed on a regular basis by the organization's officers. The rules of membership shall be clearly stated in the bylaws. Only active members in good standing shall be permitted to hold office or vote upon any matter of business of the organization. The bylaws must address the organization's fiscal year, structure and the method to be used to elect officers. Bylaws need to be approved by the school and schools have discretion over who they partner with.

STATE AND FEDERAL REPORTING

EMPLOYER IDENTIFICATION NUMBER

The FCPS Employer Identification Number is not available to parent groups for use. If bank accounts exist with such number, immediate action must be taken to correct this information.

Each organization must file for an employer identification number on Form SS-4, *Application for Employer Identification Number*. This form may be downloaded from <http://www.irs.gov/pub/irs-pdf/fss4.pdf>. It is possible to apply for an employer identification number online at the following address [http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-\(EIN\)-Online](http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online) or by calling (800) 829-4933. The employer identification number will be issued immediately by the Internal Revenue Service during the call.

APPLICATION FOR FEDERAL TAX EXEMPTION

Formation of a non-profit corporation does not necessarily entitle the organization to exemption from federal taxes. In order to be exempt from federal taxes, the parent organization must apply for this status on Form 1023 – Application for Recognition of Exemption Under Section 501(c)3. This form may be downloaded from the IRS website at <http://www.irs.gov/pub/irs-pdf/f1023.pdf>. Instructions for completing Form 1023 may be obtained from <http://www.irs.gov/pub/irs-pdf/f1023.pdf>.

General instructions regarding the tax-exempt status for your organization are located in IRS Publication 557 – How to Apply for Recognition of Exemption for an Organization and may be reviewed at <http://www.irs.gov/pub/irs-pdf/p557.pdf>.

The Form 1023 application must be accompanied by Form 8718, User Fee for Exempt Organization Determination Letter Request which requires a user fee to be paid to the Internal Revenue Service. Depending on the anticipated annual gross receipts, the fee ranges from \$400 to \$850. Form 8717 may be downloaded from the IRS website at <http://www.irs.gov/pub/irs-pdf/f8718.pdf>.

Upon acceptance of the organization's exempt status by the Internal Revenue Service, a determination letter will be issued as evidence of approval. The letter should be kept in a safe, permanent place as it will be required to prove the organization's exempt status. In addition, a copy of the letter should be forwarded to the FCPS Finance and school office.

If the organization has lost their Exempt Organization Determination Letter, they may call the IRS at 1-877-829-5500, use the IRS online portal to access the Tax-Exempt Organization Search feature, or mail your request in writing to: EO Determinations P.O. Box 2508 Cincinnati, OH 4520.

APPLICATION FOR STATE SALES TAX EXEMPTION

Organizations may apply for an exemption from Virginia sales tax by applying at Nonprofit

Online at this address: <http://www.tax.virginia.gov/site.cfm?alias=SUTExemption#ApplyOnline>
It is a quick, efficient, and secure way for you to apply for and print your sales and use tax

certificate online. Nonprofit Online on the Virginia Tax Department can also be used to edit certain registration information as it changes, renew your expired or expiring exemption, as well as reprint lost certificates without having to contact the Department of Taxation.

ANNUAL FILING REQUIREMENTS Form

990-990EZ/990N

Every parent organization exempt from federal income tax under 501(a) is required to determine the necessity of filing an annual Form 990, Return of Organization Exempt from Income Tax on the Virginia Tax Department website (tax.virginia.gov). A shorter version of the form, Form 990-EZ is available for entities whose gross receipts during the year were less than \$200,000 and total assets at year-end were less than \$500,000. If an organization's annual gross receipts are normally not more than \$50,000, they are required to electronically submit Form 990-N, also known as the e-Postcard, unless they choose to file a complete Form 990 or Form 990-EZ instead. If you do not file your e-Postcard on time, the IRS will send you a reminder notice. There is no penalty assessment for late filing the e-Postcard, but an organization that fails to file required e-Postcards (or information returns – Form 990 or 990-EZ) for three consecutive years will automatically lose tax-exempt status. The revocation of the organization's tax-exempt status will not take place until the filing due date of the third year. To regain its charitable status, the organization will have to resubmit Form 1023.

ORGANIZATION

The booster organization shall elect the following officers on an annual basis:

PRESIDENT

The major duties include, but are not limited to, the following:

1. **Leadership and Direction:** The president leads the group by setting goals, guiding the organization's direction, and ensuring that its mission is carried out.
2. **Preside Over Meetings:** The president typically chairs the meetings, prepares agendas, and ensures meetings run smoothly.
3. **Facilitate Communication:** Acts as a liaison between the organization, the school administration, teachers, and parents, ensuring effective communication and collaboration.
4. **Event Planning and Oversight:** Oversees and coordinates events such as fundraisers, family events, and teacher appreciation activities.
5. **Delegate Responsibilities:** Assigns tasks to other officers, committee chairs, and volunteers to ensure that all responsibilities are covered.
6. **Budget Management:** Works with the treasurer and other officers to oversee the organization's finances, approve budgets, and ensure financial transparency.

7. **Problem Solving and Decision Making:** Addresses concerns and issues raised by parents, teachers, or administrators, and helps find solutions.
8. **Advocate for the School Community:** Represents the organization in advocating for school programs, resources, and improvements.
9. **Ensure Compliance:** Ensures the organization complies with its bylaws, school policies, and any applicable laws and schedules an annual audit of records or request an audit if the need arises during the year.

VICE-PRESIDENT/PRESIDENT ELECT

The vice-president acts as the president's representative in his/her absence. He/she must remain familiar with the organization. The major duties include, but are not limited to, the following:

1. **Support the President:** Assists the president in leading the group, helping with planning and organizing activities, and stepping in when the president is unavailable.
2. **Preside in President's Absence:** Chairs meetings and assumes leadership duties in the absence of the president.
3. **Event and Program Coordination:** Often takes on a key role in planning and overseeing events, such as fundraisers, family nights, or school programs.
4. **Committee Oversight:** Serves as a liaison between the organization's board and various committees, ensuring clear communication and that committees are on track with their goals.
5. **Assist with Fundraising Efforts:** May help organize or lead fundraising initiatives, ensuring events run smoothly and support the organization's mission.
6. **Membership Engagement:** Helps engage new and existing members, encouraging participation in events, meetings, and volunteer opportunities.
7. **Collaborate with School Administration:** Works closely with school staff and administration, along with the president, to align activities with school needs and policies.
8. **Help with Goal Setting:** Assists in setting goals and priorities for the organization, including planning long-term projects or initiatives.
9. **Step into Leadership:** Prepares to take on the role of president in the future, often working closely with the president to learn the ins and outs of running the organization.
10. **Provide Support to Other Officers:** Assists other officers, such as the secretary and treasurer, with their duties as needed, ensuring the organization runs efficiently.
11. **Other Duties:** Perform other specific duties as outlined in the bylaws of the organization.

SECRETARY

The secretary is responsible for keeping accurate records of the proceedings of the association 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 organization's bylaws. The major duties include, but are not limited to, the following:

1. **Record Meeting Minutes:** Takes detailed notes during meetings, capturing decisions, action items, and discussions. These minutes are later distributed to members and kept on file.
2. **Maintain Records:** Keeps organized records of all official documents, including meeting agendas, minutes, bylaws, and correspondence.
3. **Distribute Meeting Agendas:** Works with the president to prepare and distribute agendas before meetings, ensuring members know what topics will be discussed.
4. **Handle Communication:** Manages the organization's communications, such as sending out meeting reminders, event announcements, and newsletters to parents and staff.
5. **Track Attendance and Votes:** Keeps a record of meeting attendance and tracks voting outcomes on decisions made during meetings.
6. **Ensure Bylaw Compliance:** Helps ensure that meetings and activities follow the organization's bylaws and any applicable policies.
7. **Assist with Event Planning:** Works with other officers to support event planning, including helping with logistics, communication, and organizing volunteers.
8. **Maintain Contact Lists:** Keeps an up-to-date list of members, officers, and school contacts, ensuring efficient communication.
9. **Provide Reports:** Regularly updates the organization on correspondence and other relevant information during meetings.
10. **Assist with Documentation:** Helps with any necessary filing of documents, including reports for tax purposes or maintaining nonprofit status, if applicable.
11. **Communication:** Conduct and report on all correspondence on behalf of the organization.
12. **Other Duties:** Other specific duties as outlined in the bylaws of the organization.

TREASURER

The treasurer is the authorized custodian of the funds of the organization. The treasurer receives and distributes all monies indicated in the budget and prescribed in the local bylaws or as authorized by action of the organization. The major duties include, but are not limited to, the following:

1. **Financial Management:** Oversees the organization's bank accounts, tracks income and expenditures, and ensures funds are used according to the group's mission.
2. **Budget Creation and Oversight:** Works with the president and other officers to develop an annual budget and ensures spending aligns with this budget.
3. **Record Keeping:** Maintains detailed and accurate records of all financial transactions, including receipts, invoices, and expense reports. This includes issuing receipts for all monies received and deposited into the organization's bank account.
4. **Prepare Financial Reports:** Regularly prepares and presents financial reports during meetings, providing a clear picture of the organization's financial health.
5. **Handle Deposits and Payments:** Collects and deposits funds from activities, such as fundraisers and events, and pays bills and reimbursements as necessary.
6. **Tax Filing and Compliance:** Ensures that the organization complies with federal, state, and local tax regulations, including filing any required forms like tax returns or maintaining nonprofit status.

7. **Reconciliation:** Reconciles bank statements with the records to ensure accuracy and prevent discrepancies.
8. **Fundraising Oversight:** Works closely with fundraising committees to track income and expenses related to fundraising events and ensure the funds are managed correctly.
9. **Financial Policies:** Helps establish and enforce financial policies, such as spending limits and approval processes, to ensure proper handling of the organization's finances.
10. **Audit Preparation:** Prepares for and assists with internal or external audits of the organization's finances, ensuring all records are in order.
11. **Other Duties:** Other specific duties as outlined in the bylaws of the organization.

Note: Due to the increasing requirements placed on charitable organizations by the Internal Revenue Service, it is strongly recommended that the Treasurer have an accounting background.

PARLIAMENTARIAN (Optional Position)

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 a point of order. Thus, after the parliamentarian has given advice, the presiding officer must make the ruling to the organization. The president is not obligated to follow the recommendation of the parliamentarian. The parliamentarian should be thoroughly familiar with the bylaws and any standing roles of the group on which he serves. A copy of Roberts Rules of Order Newly Revised should be maintained by the organization and referenced as needed.

NOMINATING COMMITTEE

The nominating committee is formed from the organization's membership in the spring of each year. The purpose of the committee is to recommend various members of the organization for office in the coming year. The nominating committee should be charged with soliciting recommendations for officer positions within the organization. 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 so that elections may be held.

AUDIT COMMITTEE

At the end of the fiscal year, it is recommended that the organization's financial records be audited by an independent auditing firm. However, due to the associated costs, the organization may instead choose to have at least two members review the yearly transactions. These members should not have check-signing authority.

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 expenditures occurred in a manner consistent with organization's bylaws;
- Verify that annual federal and state forms have been filed.

The audit committee shall make a report to the general membership upon completion of the audit and present a copy to the school's principal. Any discrepancies noted shall be brought to the attention of the president of the organization and a resolution reached prior to the presentation. All officers of the organization shall make records available as requested by the audit committee.

ELECTION OF OFFICERS

The election of officers of the organization will occur annually within the timelines and manner prescribed by the organization 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 should take place no later than July 1 of each year.

Officers may be elected in a variety of methods (simple majority, secret ballot) in accordance with the organization'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 member.

STANDARDS FOR MEETING

Notice of all meetings of the parent organization should be published seventy-two hours prior to the meeting date. The notice should clearly indicate the date and time of the meeting. It is recommended such meetings not occur without the presence of the principal or designee in attendance.

PUBLIC DISCLOSURE

A nonprofit organization must provide copies on request of its original application for tax exemption, including any documents filed by the organization in support of its application, plus any letter document issued by the IRS in connection with the application. In addition, the organization must provide copies of its annual IRS information returns for the past three years, including all schedules and attachments. When a request for information is made in person, the parent organization is required to furnish the requested information immediately under IRS guidelines. If the request is in writing, the documents must be furnished within 30 days from the date of the request.

Organizations are exempt from the above requirements if they have made the documents widely available, such as posting them on a web site. If the organization elects to post the information on a web site, specific IRS criteria must be followed which produces an exact reproduction of the information.

FINANCIAL INFORMATION

BANKING INFORMATION

Parent organizations must have their own bank account. Comingling of organization funds and school activity funds is prohibited.

METHOD OF ACCOUNTING

There are a wide variety of computerized accounting packages available to assist the organization in accurate financial reporting – manual record keeping is not the recommended method of reporting. Rather, each organization should adopt an accounting package or computerized accounting method to be used for several fiscal years. Establishing records in a spreadsheet format is perfectly acceptable, although somewhat cumbersome. It is preferable to adopt an accounting package for long-term use. The packages chosen should be reviewed on a biannual basis for effectiveness and accuracy of financial reporting. Packages should also be evaluated based upon their ease of use and overall cost, both financial and training, to the organization.

At a minimum, the membership should be provided with a financial statement and bank reconciliation at each meeting. The financial statement should detail the budget to actual expenditures and receipts. Cash receipts and disbursement reports should also be available for review when needed or at the annual audit. An annual financial recap is to be submitted to the school principal each year as soon as all yearly transactions are complete.

CASH RECEIPT PROCEDURES

All cash collections received by the parent organization for fees, dues, fundraising, etc., must be deposited upon receipt. All funds must be supported by some type of record documenting the source and amount of funds (Appendix A). Such documentation must be readily available for audit purposes. Deposits should be made daily.

Bank deposits should be prepared as follows to ensure the integrity of the financial reporting:

- Separate all currency and coins by denomination and carefully count and record it in the appropriate section of the bank deposit form.
- A tape may be run of any checks included in the deposit rather than individually listing them on the deposit slip form. A copy of the tape should be retained with your copy of the deposit records.
- Total the deposit slip.
- For large deposits, at least two individuals should count the currency together. They should verify that the currency has been correctly recorded on the deposit slip by initialing the entry.

- Both individuals should initial the currency figure on the deposit slip.
- Seal the deposit in a deposit bag in the presence of the second individual. This is called dual control and places the organization in a better position to challenge any claim that the bank may make that the currency received was not correct.

BANK RECONCILIATION

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the bank account balance in the general ledger as of the last day of the month. As an added safeguard, the unopened bank statement should be sent to and reviewed by someone other than the person performing the reconciliation, who is normally the treasurer of the organization. If the bank reconciliation is being performed manually, the following steps should be followed.

Items needed to complete the bank reconciliation:

- Prior month's bank reconciliation
- Bank statement
- Check register and/or cash disbursements journal
- Cash receipts journal
- General ledger

To complete the bank side of the reconciliation form:

- List the ending balance shown on the bank statement.
- Check off outstanding checks from prior month's bank reconciliation using the bank statement.
- Determine the outstanding checks by comparing the check register to the bank statement, including any remaining checks from the previous month.
- Determine the deposits in transit by comparing the cash receipts journal to the bank statement.
- Identify any items that need to be corrected by the bank, such as check printing, returned check charges and encoding errors. These items should be grouped together under Other Adjustments.
- Total all items and enter the amount on the Adjusted Bank Balance line.

To complete the General Ledger side of the reconciliation form, perform the following:

- Indicate cash account ending balance from the general ledger.
- Compare the bank statement to the check register and list any cleared checks that were not posted.
- Indicate any outstanding returned checks.
- Indicate the interest earned per the bank statement. This amount should be immediately posted.

- Identify any items that need to be corrected on the general ledger (such as immaterial encoding errors) under other adjustments.

Compare the adjusted bank balance to the adjusted cash balance to make sure they are in agreement. If they are not, the reconciliation is NOT complete. Examine the prior month's reconciliation to ascertain that all items have been posted and/or corrected. If at all possible, a computerized reconciliation program should be used in conjunction with the organization's financial package.

DISBURSEMENT OF FUNDS

All requests for disbursement must be made from established budget line items. If a request exceeds the budget or is from an item not previously included in the budget process, a vote of the membership must be taken prior to the expenditure. Direct payments to school employees are not permitted uses of parent organization funds.

A requisition form should be completed for all expenditures regardless of the amount (Appendix A). The appropriate supporting documentation (invoices, receipts) should be attached to the disbursement form and filed in check number order. At no time should a check be issued without the appropriate supporting documentation.

It is strongly recommended that a least two officers sign each disbursement. Both signers should be members in good standing of the organization and should not be related. School administrators may not be the signer on parent organization bank accounts.

SALES TAX

TAXABLE STATUS OF PURCHASES

- A parent organization must provide the vendor with a valid signed exemption certificate when claiming state sales tax exempt status.
- The FCPS exemption status may not be utilized by parent, patron, or alumni organizations to secure exemption from sales and excise taxes. Parent organizations must apply for their own exemption. See State and Federal Reporting section of this manual for information on applying for sales tax exemption status.

DOCUMENTATION TO THE PRINCIPAL

On an annual basis, the parent organization must provide the following documents to the school principal:

- Copy of form 990, 990EZ or 990N filed with the IRS.
- Copy of the organizations by-laws.
- Documentation that an audit of the books was performed.
- Copy of the financial statement as of the year ending June 30.
- Before August 1 of each year, each parent organization must provide the principal with the names and contact information (address, phone number and e-mail address) of the officers for the next school year. (Appendix A)
- Monthly minutes of all meetings are to be forwarded to the principal for review.
- Name of the bank used by the parent organization.

DONATING ITEMS TO THE SCHOOL

When a parent organization wishes to donate items to a school, the process typically involves a formal review to ensure the donation aligns with the school's needs and policies. First, the parent organization submits a proposal or informs the school administration of the intended donation. This could include equipment, materials, or other goods. The school will assess the donation based on several factors: its relevance to the school's educational goals, whether it meets current needs, and whether the item is in good condition. If the donation fits these criteria and is beneficial, the school can formally accept it, taking ownership and integrating it into the school's resources. Once the item is received and ownership is transferred to the school, the administration has the discretion to determine how the item will be used, ensuring it is utilized in a way that best supports the school's mission. The administration may also provide a letter of gratitude, acknowledging the generosity of the parent organization.

In some cases, the parent organization may opt to write a check directly to the school for equipment purchases. This method is preferred when the equipment includes a warranty, as it ensures the asset is purchased under the school's name, allowing the warranty to be registered accordingly.

However, the school reserves the right to decline donations that do not meet its criteria. If the donated item does not align with the school's educational philosophy, is in poor condition, or is simply unnecessary, the school can respectfully decline the offer. In such cases, the school may explain the reasons for its decision to ensure transparency and maintain a positive relationship with the parent organization. This process ensures that donations contribute effectively to the school's environment and support its goals while maintaining the quality of resources available to students and staff.

INSURANCE

FCPS insurance does not cover parent organization events. Each parent organization will have to complete an Application for Use of School Facilities for each event which can be found on the division's website. A certificate of insurance must be provided that states the following:

“Frederick County School Board, its officers, agents, employees and assigns are named as additional insured.”

Minimum insurance coverage required:

1. \$1,000,000 bodily injury and property damage per occurrence.
2. Medical coverage of at least \$5,000 per person per occurrence.
3. Certificate shall provide at least 30 days notification of cancellation or non-renewal of insurance to certificate holder.

The Certificate of Insurance shall be submitted and approved by the Executive Director of Finance for Frederick County Public Schools along with the “Application for Use of School Facilities” form.

MISCELLANEOUS

The following guidelines apply to all parent/booster organizations.

- All meetings shall be public and announced in advance.
- The program director/sponsor or designee must be present at all meetings.
- Parents and organization members are expected to follow the same standards of conduct as district employees when chaperoning, sponsoring or attending student activities, including rules in the student handbook.
- Each individual student's or group of students' participations will be determined by the sponsor and the principal and not by the organization or any member(s). Participation is considered to be a privilege and not a right, and will be based on a proven record of good conduct and dependability. Lack of such demonstrated behavior on the part of anyone will be grounds for disapproval for participation and travel.
- Participation in any activity or travel associated with organization activities is a privilege and not a right for all involved. All student and employee travel will be under the auspices of the school and all participants will be approved by the sponsor.
- No cash will be given to any school employee to use at his or her discretion.

- A check from the organization should be the preferred method of paying bills. Use of a debit card by the organization is not recommended. Debit cards are the same as cash and can be used by whoever bears the card.
- The purchase or consumption of alcoholic beverages while on school property or in the presence of students is specifically prohibited.
- Organizations shall not directly support political activities by providing campaign donations or placing advertisements in support of a particular candidate as doing so could jeopardize the tax-exempt status of the organization.
- Parent organizations should not discuss as official business any item that does not meet the definition and function of a parent organization.
- Parent organizations should not openly discuss playing time issues or plan, organize or attempt to implement an off-season training program without the direction or consent of from the school principal or CSA.
- Parent organizations should have all items purchases sent directly to the school. Sending equipment, uniforms, etc. directly to the coach's home is prohibited.
- Conflicts should be addressed to the building principal.
- Organizations must fill out an Application for Use of School Facilities form before scheduling events and provide a certificate of insurance to FCPS. FCPS insurance will not cover these events. Detailed information is included on the application.

Parent organizations are a significant and valuable source of support for our schools. They are also a reflection of the district and as such must conduct their operations in accordance with all applicable policies, rules, and regulations. This document provides guidance in many, but not necessarily all, compliance areas. Failure to follow these guidelines may result in the school principal determining that the organization may no longer use the school's name or partner with the school in support of student activities.

**FUNDRAISING ACTIVITIES INVOLVING BINGO AND OTHER
GAMING ACTIVITIES THROUGH THE VIRGINIA DEPARTMENT OF
AGRICULTURE AND CONSUMER SERVICES**

If the parent organization intends to hold a bingo, cash party, or similar charitable gaming event, they must comply with state regulations and obtain the necessary permits before proceeding.

In accordance with the Code of Virginia, any organization that wishes to conduct bingo or other charitable gaming activities, or expects to generate gross receipts of \$40,000 or more from raffles within a 12-month period, must submit a Charitable Gaming Permit Application. Along with the application, a nonrefundable \$200 fee is required. Social organizations seeking authorization to operate electronic pull-tabs or electronic gaming must also submit an additional \$200 fee. Both payments should be made payable to the Treasurer of Virginia. The application and fees must be filed before any charitable gaming activities can commence.

More information can be found at:

<https://www.vdacs.virginia.gov/charitable-gaming-organization-licensing.shtml>

Appendix A

Name of Organization:

CASH RECEIPT VOUCHER

DATE: _____ EVENT: _____

BUDGET CATEGORY: _____

COINS _____

CURRENCY _____

CHECKS _____

TOTAL RECEIPT _____

COLLECTED BY: _____

VERIFIED BY: _____

TREASURER RECEIVED: _____

TREASURER DEPOSITED: _____

You can print and use this format for recording cash receipts effectively.

Name of Organization _____

REIMBURSEMENT / CHECK REQUEST

Total Amount \$ _____

Description of Expense: _____

Name of Committee or Fundraiser Expense to be charged:

Check Payable to: _____

Address: _____

Telephone #: _____

Signature of Committee/Fundraiser Chairperson:

_____ Date: _____

Please submit to: Treasurer
 Address
 City, State, Zip Code

Please attach receipts for all reimbursable expenditures. Do not mix personal purchases with organization purchases. Thank you!!

Check # _____ Date _____

PARENT ORGANIZATION CONTACT INFORMATION

ORGANIZATION NAME: _____

SCHOOL: _____

SCHOOL YEAR: 20__

PRESIDENT: _____

ADDRESS: _____

PHONE:(C) _____

E-MAIL: _____

VICE-PRESIDENT: _____

ADDRESS: _____

PHONE:(C) _____

E-MAIL: _____

SECRETARY: _____

ADDRESS: _____

PHONE (C) _____

E-MAIL: _____

TREASURER: _____

ADDRESS: _____

PHONE:(C) _____

E-MAIL: _____