

Handbook
For
Parent Organizations



LOS LUNAS SCHOOLS[®]

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HANDBOOK

FOR

PARENT ORGANIZATIONS

INTRODUCTION

The Los Lunas Schools encourages and appreciates the work done by parent-run organizations. Through cooperation and collaborative efforts between the District and these organizations, students are able to increase their opportunity to enrich their school experiences and learning.

These support groups assume a positive and important role and contribute time and financial support for which the District and the community are grateful.

The raising and expending of money should have the objective to promote the general welfare, education and morale of all students and to finance the normal legitimate activities of the club or organization. The successful operation of any program is dependent upon the formulation of sound policy and effective guidelines for its creation, operation, and demise. In view of the large amount of monies received from and expended for students through parent organizations, there is a need for efficient, thorough, and safe management of funds. Every club or organization should have adequate rules and procedures in effect for the accounting and safeguarding of funds.

All clubs or organizations are encouraged to work cooperatively with the building principal or other administrator with fiduciary responsibility for fundraising and purchasing.

DEFINITIONS

PUBLIC FUNDS: Funds collected through the District sponsored and sanctioned activities and/or handled, supervised, or in the custody of a school employee or official.

NON-PUBLIC FUNDS: Funds collected by an Outside Organization. Employees within the scope of their employment may not be directly involved in the handling of these funds.

OUTSIDE ORGANIZATION: An organization of individuals not employed by, nor under direct control of the school district. This includes booster clubs and PTC's.

CONCESSION STAND: A school owned facility to be used for fund raising activities for extra-curricular activities. It may be operated by any school district approved organization, including approved Outside Organizations.

ACTIVITY FUNDS: Generally, represents Public Funds raised to finance activities within the individual school. Examples include revenue raised by student clubs, activity fees, and commissions or profit from sales involving a product or service. These funds are held by the District in a trustee capacity for student and teacher groups at individual schools.

BOOSTER CLUBS: Group of parent and other individuals formed to support a specific extra-curricular activity(ies).

PTC: Parent Teacher Committee is a school-based organization of parents, teachers, administrators and other district staff formed to support the education and activities of students of a specific school.

FISCAL YEAR: The fiscal year for Outside Organizations will be July 1 through June 30.

VOLUNTEER: One who enters into or offers himself/herself for any services of his/her own free will without compensation.

SCOPE OF EMPLOYMENT: The range of duties in which an employee of the district functions to include the supervision of children.

OPERATION GUIDLELINES

The primary purpose of Outside Organizations is to promote the general welfare, education and morale of all students and to finance the normal, legitimate activities of the club or organization. All clubs or organizations shall have a set of by-laws, a copy of which will be on file with the Finance Office. The District will approve the formation and operation of all Outside Organizations and reserve the right to disband an Outside Organization if it is not operating in the best interest of the students and the District's instructional and extracurricular programs. In addition, each Outside Organization will comply with the following:

- A. All Outside Organizations should be aware of Board Policy K-2600.

- B. Each Outside Organization shall complete a Parent Organization Registration Form (Exhibit A). This registration will be reviewed and approved by the Site Supervisor and by the District.
- C. The board of directors and/or officers are responsible to recommend activity programs to the membership. These activities shall, in general, contribute to the educational/extracurricular experience of students and shall add to, not conflict or interfere with the District's instructional program or extracurricular philosophies. Fundraising activities will be tasteful and appropriate for the age of students being supported by the Outside Organization. Results of fundraising shall be reported to the total membership. Outside Organizations should not commit the school community to activities that impinge on instructional time or require an inordinate amount of time, effort or money. Further, money making activities by Outside Organizations should never become the responsibility of District staff or students.
- D. A minimum of six general meetings will be held each year and minutes of these meetings will be prepared and approved by the membership.
- E. A monthly bank account reconciliation will be completed and kept on file for a minimum of 3 years. Please See Exhibit B for an example.
- F. Monthly financial reports shall be prepared by the treasurer and submitted to the officers. These reports will be submitted to the membership during meetings and included in the minutes.
- G. A system of internal controls shall be implemented in order to safeguard the assets of the organization.
- H. Fiscal year-end financial statements, ending June 30th, shall be filed with the District's Business Office. The deadline for filing shall be July 31st. Please see Exhibit C for an accepted format.
- I. If revenues generated during the fiscal year exceed \$5000, the filing must also include a copy of an annual audit statement by an independent party.
- J. At its discretion, an annual audit may be requested by the District from organizations with revenues below \$5000.
- K. There shall not be an excess of expenditures over cash balances carried forward from the previous year plus revenues raised during the current fiscal year.
- L. The business of the Outside Organization shall be conducted in an open meeting, with adequate notification of all meetings to the membership.
- M. Outside Organizations are separate entities that support instructional and extracurricular programs in a variety of ways, one of which is financial assistance. However, if a District employee is the primary agent in a fundraising project for their Outside Organization, the organization will be required to deposit the profits into the District's Activity Fund account. The head coach/sponsor is quite often directly supervising these projects and is receiving payment for camps, tournament, etc. The local principal should have a copy of the financial report for these projects on file in the school office.

- N. Any Parent Organization project that involves changes of any kind to the interior or exterior of buildings, structural or site improvements, including grounds, must be approved by the District Office and District Service Center. Application for approval of a project can be made by submitting a memo to include a detailed description, with drawings if applicable, to the District Office, with a copy to the District Service Center.
- O. Liability Insurance coverage is provided for those organizations that are operating under the jurisdiction and supervision of the Los Lunas Schools.
- P. Any advertisement of the Outside Organization should clearly identify the sponsoring organization. For example: "Tome Elementary PTC Dad's Pancake Breakfast."
- Q. Outside Organizations are responsible for obtaining their own tax identification numbers and must comply with all state and federal regulations concerning non-profit groups. Please refer to FYI-240 for State guidance and the IRS website for Federal guidance.
- R. Outside Organizations can contribute to but do not make decisions for the school group or its sponsor on expenditures of public funds.
- S. All non-public funds raised should be deposited in a general operating fund bank account and spent according to an approved budget of the Outside Organization.

PUBLIC-vs.-NON-PUBLIC FUNDS

All funds in the possession of or handled by public school officials are considered public funds and must be accounted for by the school district. This also includes any funds collected during the regular school day on school property.

District sanctioned admissions charged for entry to any school sponsored event on District property at any time are always considered Public Funds and must be deposited into the District's account within 24 hours. This includes, but is not limited to, games, plays, and concerts.

Voluntary donations collected by Outside Organizations in conjunction with entry to, or the operation of, a district sponsored event outside the regular school day are considered non-public funds. All tangible personal property donations should be approved by the principal and superintendent using the gifts and donations form in Exhibit D.

School employees who are not supervising students and are not required by their supervisor to help in a fund-raising activity may volunteer for work after school hours. Under this criteria, the employee is a volunteer and outside of the scope of employment. The key words regarding an employee's status in participating in

Outside Organization projects are “scope of employment”, “regular school day” and “volunteer.”

The following examples are given to help clarify public vs. non-public funds.

1. The Los Lunas High School Wrestling Booster Club is having a fish sale on Saturday from 9-11. They have advertised as: “Los Lunas High School Booster Club Fish Sale.” Anyone desiring to purchase fish may come by and make their selection and pay the parent acting as a cashier. The revenue raised is non-public funds generated by an Outside Organization because it was not held during the school day, and school staff did not handle the money nor supervise students in the scope of his/her employment.
2. The same booster club sponsored a fish sale but requested the wrestling team to pre-sell the items during the school day, and the fish could be picked up on a Saturday. In this procedure they ask the team to turn in the pre-sale dollars to their coach. These are public funds because students were selling during the regular school day, and school staff was handling the money during the regular school day while supervising students and in the scope of employment.

The difference between public and non-public funds is the handling of the monies and is illustrated by the following:

	PUBLIC	NON-PUBLIC
Accounting	School District	Officers of Organization
Procurement	By State Statues	Officer’s discretion
Items to Purchase	Must benefit student Population involved In raising funds	Officer’s discretion
Oversight	Coach/Sponsor	Parents
Timing	During the regular School day	Outside the regular School day

FISCAL RESPONSIBILITY

1. GENERAL

Due to the large amount of monies received from and expended for extra-curricular activities by Outside Organizations, it is imperative to set up efficient, thorough and safe management procedures for these funds. If desired, the school district will assist the Outside Organization in setting up good accounting procedures.

The treasurer should be responsible to the officers and the membership of the organization as outlined in the by-laws. It is also necessary that the treasurer's report appear in the official minutes of the organization at each meeting. Furthermore, an annual financial statement must be submitted to the membership and Finance Office by July 31st of each year.

If school employees handle money, or the monies are collected during the regular school day, the monies must be accounted for by the school district. Fund raising activities of Outside Organizations cannot be collected during the regular school day unless they are considered public funds, accounted for by the school, and deposited into the school's account.

Below is a list of good business practices for handling and receipting the cash:

- a. All money collected from any source should be documented by receipts, pre-numbered tickets or other auditable records. In all cases where tickets are used, there should be an accounting of sold and unsold tickets. The audit trail is most important.
- b. Bank deposits of non-public funds should be made within three business days.
- c. All disbursements should be documented by checks and backup invoices or cash receipts. Cash disbursements should be used only where a written check is difficult or inappropriate.
- d. It is required that the treasurer and other officers who handle money be bonded.

2. FUND-RAISING

- a. Any fund raising must have, a primary consideration, the welfare and benefit of the students and the District's instructional and extracurricular programs.
- b. Funds may be generated from any legal source or legal means approved and recorded in the minutes of the organization.
- c. Students may not be used during the regular school day for raising non-public funds.
- d. School employees, students, and Outside Organizations should not solicit at places of business where there is a "Partners In Education" sign

displayed. Grant application can be made by School Sponsor with the “Partners In Education” organization. Athletic groups are exempt from this limitation, as they are not eligible to receive funds from Partners in Education.

3. DISBURSEMENT OF FUNDS THROUGH CHECKS

- a. All checks should be pre-numbered and show the account number. Dual signature checks are required.
- b. Normally, checks should be made payable to a company.
- c. Checks to individuals should be limited to emergency situations.
- d. Checks should never be payable to “cash.”
- e. Checks should be signed only after they are completely prepared.
- f. Voided checks should be mutilated (not destroyed) to avoid re-use.
- g. All checks are to be accounted for, including voided checks.
- h. Unused checks should be properly controlled and safeguarded.

4. CHECK SUPPORTING DOCUMENTS

- a. Expenditures should always be supported by properly approved vendor invoices or other documented receipts clearly identifying what was purchased. Avoid terms like miscellaneous, sundry, other, etc.
- b. Expenditures are not to be made on the basis of vendor statements.
- c. Vendor invoices should be checked for mathematical accuracy and proper pricing.
- d. Invoices should be paid on a timely basis.
- e. Check-supporting documents should be marked paid to avoid duplicate payment.

5. TRANSFER OF FISCAL RESPONSIBILITY

Each year when new officers are elected, financial files should be transferred to the new treasurer. These files should include:

- 1) Unused check stock
- 2) Receipt/revenue records
- 3) Expenditure records
- 4) Bank statements and reconciliations for the past three years
- 5) Financial statements for the past three years
- 6) IRS documents showing the organizations tax ID number
- 7) NM Taxation and revenue documents (if any)
- 8) Any other documentation relating to the ongoing concern of the organization

QUESTIONS AND ANSWERS

Q: Is it required to add Outside Organization purchased equipment to the school district's inventory? How can it be done?

A: If the equipment has a value in excess of \$1000 and is located on school property, it is required to be on the school's inventory. When placed on inventory, the equipment will be maintained and insured by the school district. The principal has LLS PROPERTY/EQUIPMENT FORMS that will place the equipment on the inventory.

Q: Who is responsible if students or parents lose money raised?

A: It is the student's or parent's responsibility to protect the funds and submit it to the organization.

Q: Must Outside Organization funds be used to benefit or work for the schools?

A: The purpose of Outside Organizations should be to promote the general welfare, education and morale of students.

Q: Can the Outside Organization fund a dinner for a specified group of students, parents, and/or teachers?

A: Yes, if it is the desire of the majority of the membership.

Q: May students be used to help the Outside Organization raise money, and when?

A: Yes, however, such activity cannot be done during the regular school day.

Q: Can an Outside Organization debt be assumed by a school club or group?

A: No. As an Outside Organization, it is a separate entity and responsible for its own obligations.

Q: Can a sponsor and/or coach co-sign a promissory note on behalf of the School District for the Outside Organization?

A: No. The School District and employees on behalf of the School District cannot borrow money. Therefore, as a sponsor or coach, it cannot be considered in the scope of employment. As an individual they may, but in no way should it be associated with their position of the District.

Q: Can an Outside Organization expect the school group to donate time to help raise money?

A: No. It cannot be expected, but it is hoped that groups will work together as long as the purpose is to benefit students.

Q: Can the Outside Organization voice their opinion regarding the teacher who assumes the leadership of the group or activity?

A: Yes. The final decision is, by law, with the School Board. Input from parents is always appreciated.

Q: Can the Outside Organization buy books, uniforms, basic supplies and pay for field trips? Who determines which students or classes receive the benefits?

A: Yes. The Outside Organization can purchase any item the group desires as long as it doesn't distract from the general welfare, education and morale of all students. The membership shall determine the benefactors in consultation with the principal, coach or sponsor.

Q: Who handles the money for Outside Organization fund raisers?

A: The membership should delegate money handlers. To keep the funds non-public, District employees should not handle the money except as a parent volunteer after school and not in the scope of employment.

Q: Do Outside Organization officers need to be bonded?

A: It is required that at least the treasurer and other officers who handle money be bonded. This will help protect the funds and membership.

Q: Are audits required on Outside Organization accounts?

A: Yes. Refer to Section III of this manual under Operating Guidelines.

Q: Does the auditor have to be a CPA?

A: No, but it is preferred. The audit can be informal and hopefully the service will be donated. The only requirement is that the audit must be performed by an independent party.

Q: Can the Outside Organization determine which new books are bought for libraries and classrooms from school district funds?

A: No. A definite procedure is outlined by State Statute for textbook adoption. The procedure requires input from parent and will be followed by the school district. Organizations are encouraged to provide input to the principal on books in the library and classroom. However, the determination is made with input from many groups and influences.

Q: Can booster clubs provide funds for transportation to summer camps/clinics?

A: The New Mexico Activities Association's Executive Board ruled in 1991 to allow school district transportation to be utilized to transport student-athletes to summer camps/clinics. Funding for these excursions is the exclusive

responsibility of the parents and/or booster clubs. To facilitate the payment for such services, booster clubs will be required to deposit the exact amount in the school district's activity account.

All funds should be raised prior to the planning of any trip. Money should be deposited before the trip is scheduled to leave. At least three-(3) weeks prior notice is needed to secure a bus-driver and vehicle. We believe this policy will provide added safety and a more economical means of travel.

Q: What is included in the by-laws?

A:

1. Name of the Organization
2. Objective of the organization
3. Membership eligibility and enrollment procedures
4. Officer selection, election procedures, and duties
5. Principal or designee is to be an ex officio officer of the organization
6. Fiscal auditing and accounting procedures to be established and followed
7. The statement, "This organization will abide by all School Board and administrative policies and procedures."