PARENT ORGANIZATIONS (PTO'S & BOOSTER CLUBS) WORKSHOP

Selah School District

January 14, 2025

INTRODUCTIONS

CHRIS SCACCO

ASSOCIATE SUPERINTENDENT

chrisscacco@selahschools.org

509-698-8005

STEFANIE HENRY

DIRECTOR OF FINANCIAL SERVICES

stefaniehenry@selahschools.org

509-698-8012

Booster Clubs & PTO’s

- Why do you need to know about parent group rules, regulations and operations?
  - Parent Group and ASB activities are high risk areas due to cash handling, internal controls and relatively high turnover of staff/members
  - Knowing the policies, processes and procedures will protect the parent group, students, the District and **YOU**!

ESSENTIAL ROLE OF PARENT GROUPS IN SCHOOL ATHLETICS & ACTIVITIES

PARTNERSHIP WITH SCHOOLS	Booster Clubs should work in conjunction with school administrations to identify funding priorities and allocate resources where they are needed most.
BUDGET CONSTRAINTS	School athletic and activities budgets have been impacted by economic pressures, leading to reduced funding for programs.
THE FUNDING GAP	Booster clubs fill this gap by providing essential resources that the school can no longer afford.
ENHANCED PROGRAMS	Booster club funds often go towards advanced training equipment, travel expenses for competitive games, and improved facilities that are vital for a comprehensive athletic and activities experience.

ESSENTIAL ROLE OF PARENT GROUPS IN SCHOOL ATHLETICS & ACTIVITIES

PARTNERSHIP WITH SCHOOLS

Booster Clubs should work in conjunction with school administrations to identify funding priorities and allocate resources where they are needed most.

Coordination with school leadership is essential to ensure the District can:

- Maintain equity in quality of equipment, facilities and opportunities for all students, teams, etc.
- Be in compliance with Title IX which mandates equal treatment of all sexes in educational programs, including athletics.
- Avoid perceived or real inequalities within the community and among students and families.

PTO'S AND BOOSTER CLUBS

Parent Booster Clubs and Parent Teacher Organizations (PTO's) are separate entities from the school and school district

- Bank account and checks must identify them as their own entity with no affiliation to the school district.
- Do not use the district's tax identification number.
- Do not use school address for correspondence or deliveries.
- Separate address and phone number.

Parent Groups & Other School Support Organization Handout

Formation of a Parent Group

- **To legally solicit donations or to fundraise, these groups must register with the Secretary of State as a non-profit corporation as well as a charitable organization.**
    - Establishing of Articles of Incorporation, Constitution, Bylaws, etc.

- **It is recommended that they become a 501(C)3 nonprofit organization**

Rules and Regulations

- All such groups must receive the approval of the school Principal or Superintendent in order to be recognized as a booster/PTO organization for the School/District.

- Staff participation/support in parent organizations is encouraged, however, district employees are discouraged from holding an official position or signature authority due to conflicts of interest (RCW 42.23)

Risk Areas & Internal Controls

The nature of parent groups and reliance on volunteers makes them vulnerable to the opportunity for mismanagement of funds and fraud.

High Risk Areas:

- Cash Handling
- Intermingling of Parent Group funds with personal funds
- Inventory Theft/Loss
- Insurance & Personal Injury Liability

Risk Areas & Internal Controls

To minimize these risks the nonprofit should put in place policies and procedures specifying:

- How funds will be handled
- How expenditures will be approved
- What financial records will be maintained
- How frequently the officers will receive financial reports.
- Maintain inventories and perform profit analysis for all fundraising activities
- Maintain adequate liability insurance to protect your assets

Risk Areas & Internal Controls

It is strongly recommended parent groups establish internal procedures that, at a minimum, have the following elements:

- At least two people count any cash receipts at fundraising events. Both should sign deposit paperwork.
- An officer, who is not a signer on the bank account, review bank account statements on a monthly basis and report the results of the review to the board. Failure to receive monthly financial reports is a red flag officers should not ignore.
- All expenditure should be pre-approved by the officers and noted in meeting minutes.
- All checks issues should have dual signatures.
- Establish a committee to review all financial records bi-annually, and make recommendations for improvements.

Rules and Regulations

- Although these groups are not governed by the school district, they must follow certain local school district policies and procedures, examples include:
  - Facility Use
  - Gifting/Donations
  - Fundraising
  - Involving Students/Student Groups

Selah School District Policies

The Selah School District Board Policies are available below:

- Board Policy 4120 (School Support Organizations)
- Board Procedure 4120P (School Support Organizations)

Facility Use

Parent groups are not charged for renting district facilities during normal hours. However, parent groups must follow the Selah School District Facility Use procedures for reserving and responsibilities.

District Facility Use Requests & Information

Facility Use Expectations & Responsibilities

Parent groups are required to carry their own insurance for their events/fundraisers.

Gifts & Donations

Organizations wanting to make a donation of goods and/or money to a school should contact the building Principal to determine district policies and guidelines governing donations.

Selah School District Board Policy 6114 (Gifts or Donations): Any gift/donation of $500 or above in value will be subject to board approval.

Be aware of equity issues when donating money and/or equipment to the school's athletic teams. Title IX issues for equity comes into play when donations favor one segment of athletics over another, e.g. boys' over girls' sports.

Gifts & Donations

When a parent group raises money to offset a specific expense the group must donate the amount needed directly to the school and not to the vendor.

After the funds are donated to the school, the District will pay the vendor(s).
Examples:

- Field Trip Bus Costs
- Field Trip Tickets (ex. Zoo, Pacific Science Center)
- Equipment
- Playground Equipment
- Uniforms
- Etc.

WHAT IS CONSIDERED FUNDRAISING?

Any time funds are collected from students or members of the community where a product or service is given in exchange for those funds - <u>even if there is no intent to make a profit</u>.

Examples:

- **Car Wash/Yard Sale**
- **50/50 Raffles**
- **Silent Auctions**
- **Etc.**

Fundraising

In order for funds to belong to a Booster Club/PTO the entire activity must have been conducted at the direction and/or under the supervision of the parent organizations.

- **Parent group must CLEARLY be in charge of the activity from start to finish**

Money raised during the school day, on school property, using school personnel, **OR** school materials is **ASB money**.

When students are asked to participate in an fundraiser, it must clearly be advertised that the activity is a Booster/PTO event. Students are discouraged from collecting money during these fundraisers.

FUNDRAISING

Funds raised by students or under the supervision, organization or at the direction of school staff **are public monies** and must be accounted for in a manner required by law. ASB funds are restricted public funds and CANNOT be used for curricular purposes. (WAC 392-138-105)

ASB vs BOOSTER CLUB ACTIVITY

What turns a parent group fundraiser into an ASB activity?

- Activities conducted at the direction or under the supervision of the school district.
- A majority of the work is performed by students
- The school's name is used (Ex. Selah Intermediate School Bake Sale)
- Cash receipts are given to the school ASB office or stored in the school safe
- Students handle the cash receipting reconciliation process during school time
- Inventory is purchased by the ASB and is held by the District
- Parent group uses the school name (without specifying 'boosters' or 'PTO')
- The use of district facilities is not followed per district policy
- School district personnel are involved during staff time
- The fundraiser appears to be student driven (ASB)

A good question to ask yourself, **"Would a reasonable person in the community think that this was a Booster Club or a School sponsored activity?"**

Booster vs. ASB Fundraiser Flowchart
Booster Club Handouts

GAMBLING

Under Washington law, any activity that involves (1) a prize that is awarded (2) on the basis of chance among (3) persons who have given valuable consideration in order to participate is considered a lottery.

Some gambling activities can be conducted by a 'bona fide charitable or nonprofit organization' without a license while others require a license.

GAMBLING

A nonprofit meeting IRS regulations may hold:

- An unlimited number of member-only (non-public) raffles if combined gross revenue is less than $5,000 during the calendar year.
- A maximum of two (2) unlicensed raffle, bingo, or amusement game events to the public each year. Must notify its local police agency at least five days before conducting event.

Information about legal gambling activities and licensing requirement is available from the Washington State Gambling Commision (www.wsgc.wa.gov).

SCENARIO #1

The High School Booster Club is holding a car wash fundraiser. A few parents are at the site, but it's mostly students and the Cheer squad is out on the corner in cheer uniforms rooting and encouraging all passerby's to come to the car wash. The parents were in charge of purchasing the supplies but the students are collecting all the money coming in.

This is a Booster Club fundraiser, correct?

SCENARIO #1

The High School Booster Club is holding a car wash fundraiser. A few parents are at the site, but it's mostly students and the Cheer squad is out on the corner in cheer uniforms rooting and encouraging all passerby's to come to the car wash. The parents were in charge of purchasing the supplies but the students are collecting all the money coming in.

This is a Booster Club fundraiser, correct?
NO! This is an ASB Activity.
Student's doing most the fundraising, Wearing Cheer Uniforms, and handling money.

How do you make this a Booster fundraiser?
No school uniforms should be worn, should clearly be advertised as a 'Booster Club Car Wash', parents should be handling money and working the car wash.
Others?

SCENARIO #2

The Booster Club has decided to host a barbeque as their fundraiser and cook hamburgers and hot dogs at the football game. The Booster Treasurer must leave due to a family emergency so they ask the Athletic Director to take the money and secure it until the Booster Treasurer can pick it up another day. The Athletic Director takes the money and places it in the school safe.

Is there anything wrong in this scenario?

SCENARIO #2

The Booster Club has decided to host a barbeque as their fundraiser and cook hamburgers and hot dogs at the football game. The Booster Treasurer must leave due to a family emergency so they ask the Athletic Director to take the money and secure it until the Booster Treasurer can pick it up another day. The Athletic Director takes the money and places it in the school safe.

Is there anything wrong in this scenario?

- School employees and resources cannot handle/store PTO funds - will become an ASB activity and funds will need to be deposited as ASB funds.

BEST PRACTICES TO FUNDRAISING

1. **Pre-Approval of Fundraising Activity**
2. **Get Organized**
3. **Conducting of Fundraiser (Sales) and Cash Collection**
4. **Purchasing of Product/Service with Collected Funds**
5. **Reconciliation and Profit Analysis of Fundraiser is Completed**

STEP 1: PRE-APPROVAL

1. **ALL fundraisers must be approved <u>in advance</u> of any fundraising activities taking place (including advertising).**
   a. Keep school Principal or Superintendent informed of the fundraising activity, and receive pre approval if necessary.
   b. Follow Constitution/Bylaws on submitting the fundraiser for approval to Booster/PTO
      - ***If fundraiser is taking place on school property it must be approved by the school district (Board <u>Policy 3530</u> and associated <u>Form</u>)***
   c. Approve the fundraiser during a meeting and note in the meeting minutes

STEP 2: GET ORGANIZED

Get Organized and Communicate with the building Principal or Superintendent about your fundraiser in advance.

Some things to think about...

1. Do you need to complete a facility use request to use School District property?
2. How will you be conducting your fundraiser?
   a. How/where will items be sold?
   b. Do you need a money box or receipt book?
   c. Will you need to print/purchase pre-numbered tickets?
3. Do you need special insurance coverage?
4. Do you need food handler cards if selling food?
5. Advertise as ‘Booster’ or ‘PTO’ event (ex. ‘Booster Car Wash’).
6. Order, Receive and Inventory goods if applicable.

STEP 3: SALES & CASH COLLECTIONS

All cash handling should be performed by an approved cashier.

Adequate Internal Controls should be maintained:

- Receipts provided at the time of sale
- One cashier per cash box (limited access)
- Cashbox should be in a safe place always under the supervision of the cashier.
- If not supervised by the cashier, locked in a secure place with very limited access
- Inventory is stored in a secure place and records are maintained
- Use pre numbered tickets if applicable

STEP 3: CASH COLLECTION BEST PRACTICES

Cash Receipting Protocols <u>MUST</u> Be Followed

All funds collected need to be receipted at the time of sale and deposited in **a timely manner (within 24 hours)**.

Funds must remain secured at all times with limited access.

Sample *Bank Deposit Form*

Parent Groups may have a specific individual(s) who deposit funds - make sure to follow your procedures for your organization.

STEP 4: PURCHASE PRODUCT OR PERFORM SERVICES

- Pre-sale Items can now be ordered and products delivered.
- All expenditures should be approved by the organization prior to disbursement of payment to a vendor.
- All checks issued should have a dual signature.
- Maintain adequate documentation for the cash disbursement (invoice, copy of the check, etc.).

STEP 5: PROFIT ANALYSIS

Conduct a review of the fundraiser by completing a profit analysis.

SAMPLE Fundraiser Profit Analysis Form

An inventory of items purchased and sold should accompany the profit analysis form.

Maintain completed records.

BEST PRACTICES FINAL NOTES

- Communicate regularly with school Principals and/or Superintendent
- Plan Ahead. Get permission and approval **before you start.**
- Follow state law, board policy/procedure, and risk management rules.
- Make it clear who is running the fundraiser and who is responsible for all funds (ASB vs. Booster Club) and advertise the fundraiser accordingly (specifically state ‘booster club’ or ‘PTO’)
- Have a purpose for the funds. Set Profit goals.
- Ask…is the majority of the work performed by the students, was it really “operated” by the parent group?
- Do NOT sign any contracts on behalf of Selah School District.

HELPFUL RESOURCES

Washington State Booster Club Association: www.wsbca.org

Secretary of State: www.sos.wa.gov

Gambling Commission: www.wsgc.wa.gov

OSPI Office of Equity (Title IX): www.k12.wa.us

HELPFUL CONTACTS

HIGH SCHOOL:

Robin Gordy, High School ASB & Athletics Administrative Assistant (ext. 8515)

Becky Gause, Athletic Director/ASB Advisor/Assistant Principal (ext. 8504)

Val Barnett, Activities Director (ext. 8553)

HELPFUL CONTACTS

MIDDLE SCHOOL:

Anja Thompson, Middle School Head/ASB Administrative Assistant (ext. 8401)

Samantha Yerges, Athletics Administrative Assistant (ext. 8424)

Kip Harris, Athletic Director (ext. 8338)

Paul Hudson, Assistant Principal (ext. 8403)

Susie Bennett, Activities/ASB Advisor (ext. 8347)

HELPFUL CONTACTS

DISTRICT OFFICE:

Stefanie Henry, Director of Financial Services (ext. 8012)

Chris Scacco, Associate Superintendent of District Operations (ext. 8005)


SELAH
SELAH
23
SELAH
56
Selah
Thank You For ALL You Do!