



2026 Sanctioning Presentation

Mustang Public Schools

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Chief Financial Officer

| We will discuss this evening.....

- Overview
- Sanctioning Process
- Sanctioned Organization Requirements
- Title IX Considerations
- Summary



OVERVIEW

Oklahoma law requires that all funds collected by programs to aid students such as booster clubs, PTA's, etc., must go into a school activity fund and be under the control of the school district.

--OKLA. STAT. tit. 70, § 5-129

There is one exception - the exception is when the organization is sanctioned by the board of education



| What is "School Sanctioning"

- All school districts are required to have sanctioning policies to allow booster clubs to be exempt from the activity fund controls
- What is sanctioning?
 - It does not mean an "approval" to act on behalf of the School District.
 - It does not mean a "penalty" by the School District.

Sanctioning is just this: funds collected by booster clubs and other organizations are exempt from the regulations of the School District's school activity fund

This means that organizations may, by and large, control their own funds, and the use of those funds, for the benefit of students **within certain exceptions**



| What if an organization is NOT sanctioned?

If an organization is not sanctioned by the board of education, then that organization **must** deposit its funds in a board approved school activity account which must follow the School District's policies and procedures

The school district is NOT the police or attorney general....



| Sanctioning Overview Cont.

- Most school districts have a sanctioning policy.
- MPS Policy can be found on the Finance website
- All administrators who deal with Sanctioned Organization should review the School District's policy annually and be **very** familiar with it.
- All booster club officers should review the policy annually and be very familiar with it.
- In summary, an organization or PTA, if sanctioned, **IS NOT** subject to School Activity Fund requirements.
- But the organization or PTA, if "sanctioned" **IS** subject to the School District's sanctioning policy requirements





Questions?

Before we move on.....

| The Sanctioning Process - Applications

- Ensure the application is submitted by the district's *deadline
- The superintendent makes a recommendation to the board concerning sanctioning of any particular organization.
- The board reviews the organization's application and decides to approve or decline it.
- The board's decision is final and non-appealable.
- In deciding to sanction or renew a sanctioning application, the board of education may require further information.
- For example, the board of education may require financial statements.
- The organization is obliged to keep accurate and current records.



School Board Sanctioning Considerations

In determining whether to sanction an organization, a board of education considers:

- if the program is an extension, expansion or related to school curriculum
- **OR**
- whether the organization assists student government or other STUDENT activities
- **OR**
- whether the organization promotes activities approved by the board



School Board Sanctioning Considerations

- At any time, the board of education may, in its discretion, withdraw sanctioning if it deems it to be in the best interests of the School District;
- The board's decision is final and non-appealable
- It is clear that sanctioning/de-sanctioning is in the **total discretion** of the board of education



| Application Specifics

- The application form requires a statement of purpose, goals, organizational structure, and membership requirements of the organization
- The application form requires a detailed statement of how the school district, and its students will benefit if the organization is sanctioned
- A statement of nondiscrimination under Oklahoma and Federal law
- Financial and performance audits, if any, which have been performed by an independent accounting firm
- DO NOT raise ANY funds until board approved!!
- Again, remember the application needs to be timely submitted by the *deadline





Questions?

Before we move on.....

Sanctioned Organization Requirements

- Meeting Minutes
- Year-end financial report (*7/15)
- Liability Insurance
- Monthly bank statements
- Bylaws
- IRS Documents
- Policy Affidavit
- As may be requested, Sanctioned Organizations must promptly provide copies of any and all records to the School District
- Sanctioned Organization may be required to provide, on an annual basis, financial and performance audits by an independent accounting firm. If requested, such audits are required to be provided to the School District within 90 days of request
- The board of education can withdraw sanctioning at any time



School District Liability

- Neither the Board of Education nor the School District is liable for any obligation, loss of funds, misfeasance or malfeasance of any Sanctioned Organization
- **Accordingly, District employees cannot serve as the treasurer of a Sanctioned Organization**



Tax ID Numbers

- Tax ID Numbers: Booster Club/PTA should never, under any circumstances, use the school district's tax ID number
- Organizations are required to have their own Tax ID numbers



School District Employees

Due to IRS filing and reporting obligations on the District:

- Sanctioned organizations cannot employ or pay District employees
- Sanctioned organizations cannot hire technicians, choreographers, independent contractors, or outside employees for the benefit of a District activity or program without **PRIOR** written permission from the District
- Besides raising Title IX issues, these hires also implicate serious state and federal tax issues.
- Any request for payment to a District employee for services rendered must receive written approval **before** any services rendered, so that funds can be transferred to the District for payment by the District



School District Employees Cont.

- Sanctioned Organizations must issue all 1099s, W-2, and all other required annual tax forms.
- Sanctioned organizations must submit copies of all such tax forms to the District's CFO no later than 30 days after the filing date each year
- District employees cannot have direct access to the bank accounts and financial records of Sanctioned Organizations
- No District logo can be used by a Sanctioned Organization without prior written permission of the Superintendent or designee



Financial Considerations for Organizations

- Just because an organization is sanctioned does not mean that the organization is an arm of the school district. - IT IS NOT.
- A Sanctioned Organization may not say that it represents the School District or is affiliated with the School District when dealing with any vendors or the public in general.
- Bottom line: the School District does not “approve” an organization by sanctioning it.
- Sanctioned Organizations cannot obligate or attempt to obligate the School District.
- Doing so will likely cause your group to lose its sanction.



Additional Financial Considerations

- Sanctioned Organizations have an obligation to explain to third parties that they are not a part of the School District
- Sanctioned Organizations have liability for its actions, not the School District
- Embezzlements in a Sanctioned Organization/PTA come up with greater frequency than we want.
- If there is an embezzlement, it is a problem for the Sanctioned Organization/PTA—NOT the School District





Questions?

Before we move on.....

Title IX Considerations

- Title IX requires that no person, shall on the basis of sex, be precluded from participation in or be denied the benefits or be subjected to discrimination in any education program or activity receiving federal funds.
- School districts receive federal funds.
- So, school districts are subject to Title IX.
- School districts must ensure that **equivalent benefits** and services are provided to both sexes in athletic programs.
- This does not require EQUAL benefits and services.



Title IX Considerations Cont...

Therefore, where sanctioned organizations (booster clubs) provide benefits (money, equipment, etc.) or services that assist only teams of one sex, a school district is required by law to ensure that teams of the other sex receive equivalent benefit or services.

- It must be understood and cooperation with the School District is essential.
- Accordingly, here is the fundamental premise: **If booster clubs provide benefits to athletes of one sex that are greater than what the school is providing to athletes of the other sex, then the School District must take steps to insure that the benefits and services are equivalent for both sexes.**



Title IX Considerations Cont...

- A school district may not use lack of its own funds to justify failure to insure similar benefits to boys and girls.
- A school district must assure that such factors as equipment, uniforms, coaches and facilities are provided **on an equivalent basis regardless of booster club funding** and the resulting benefits and services must be equivalent for both sexes.

Booster club donations may involve monetary donations or nonmonetary donations.

THUS, receiving money or benefits or in-kind contributions from organizations is **totally discretionary with a school district.**



Title IX Summary

- Though equal expenditures are not required, the pattern of expenditures should not result in disparate effects on the athletic benefits of either males or females.
- If a booster club will not cooperate with the school district's legal requirement of equity of benefits then the booster club donation may be declined or re-routed elsewhere.



Sanctioning in Summary

- Sanctioned Organizations and PTAs exist solely to promote School District sponsored activities.
 - There is no other purpose.
- Accordingly, Sanctioned Organizations/ PTAs must abide by School District rules or the School District simply will not accept the money or donations.
- If a Sanctioned Organization has rules that are contrary to a board of education or administrative practices, then the board and administration's policy or practices supersede



Sanctioning in Summary

- If a Sanctioned Organization does agree that the School District's policies and practices override its rules, then the School District can refuse any contributions or activities by the Sanctioned Organization.
- Violations of policy and law can lead to formal complaints filed with the Attorney General's office for formal investigation and prosecution.
- Officers can be held personally liable for fiscal malfeasance



Sanctioning in Summary

- The school District sincerely appreciates the efforts of individuals to organize, raise money and support the activities of its students
- Departments work to apply flexibility where possible, legal, and appropriate to ensure that support can be best facilitated





Questions?

Thank you for your commitment to Mustang Public Schools.

www.mustangps.org

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