SCHOOL CONNECTED ORGANIZATIONS MANUAL



2026-27

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SARATOGA UNION SCHOOL DISTRICT
SCHOOL CONNECTED ORGANIZATIONS MANUAL – 2026-27
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SCHOOL-CONNECTED ORGANIZATION BASIC INFORMATION AND REQUIREMENTS

School-connected organizations are parent- or community-based organizations established to support District schools, programs, and student groups by providing resources for events, equipment, supplies, scholarships, and other educational needs. School-connected organizations are **independent legal and financial entities** and are **not part of the District or the Associated Student Body (ASB)**. Accordingly, the District does not administer their internal governance, manage their finances, or supervise their day-to-day operations.

Although SCOs operate independently, the District's governing board and administration retain authority to determine whether an organization may operate in connection with the District and to establish requirements governing activities involving District schools, students, employees, programs, facilities, names, logos, communications, and fundraising.

Consistent with Education Code section 51521, organizations conducting fundraising activities for the benefit of District schools, students, clubs, or programs must obtain prior approval from the Governing Board or its designated representative. **School-connected organizations support student activities but may not administer or supervise student organizations or assume responsibilities that are reserved to the District, school administration, or ASB.**

In alignment with legal requirements, the District has established specific policies and regulations for school-connected organizations, which include:

- Annually submitting a School-Connected Organization Annual Application containing necessary information and documentation, such as an updated list of officers and their contact information, a plan of activities and fundraisers for the upcoming school year, the school-connected organization's constitution and bylaws, a 501(c)(3) Federal Determination Letter, Tax Identification Number, and a signed School-Connected Organization Manual and Policies Acknowledgement Form by all officers.
- Providing a School-Connected Organization Hold Harmless Agreement and a Certificate of Insurance, with coverage limits meeting District minimums, along with an Additional Insured Endorsement.
- Submitting copies of annual financial statements (subject to internal review or audit) to the Business Services Department and Site Principal at the end of the fiscal year, and mid-year financial statements upon request, along with proof of annual tax filings.
- Ensuring compliance with all District Policies and Regulations.

SCHOOL-CONNECTED ORGANIZATION BASIC INFORMATION AND REQUIREMENTS (continued)

The District's Superintendent or the Chief Business Officer has the authority to revoke the approval of any school-connected organization for justifiable reasons. Additionally, school-connected organizations must adhere to certain regulations to maintain their approval, including:

- Not implying any form of responsibility on the part of the District, school, or ASB.
- Operating as separate legal entities from the District, with their own tax identification number and bank account.
- Managing their own tax status, accounting, and financial records independently and not commingling funds with ASB funds.
- Submitting required financial documents and maintaining appropriate insurance coverage.
- Understanding that fundraising activities at school sites are under the control of site administration and that any developed rules and regulations must conform to the law, the Board of Education's policies, and the school site's policies.
- Making all members aware that no individual should personally benefit from the organization's activities, with provisions for the distribution of excess funds outlined in the constitution in case of dissolution or termination.
- Adhering to California Penal Code regulations for bingo or raffle activities and the Civic Center Act for the use of school facilities.

Booster and parent groups are independent entities and must comply with IRS and state reporting and disclosure requirements. They are encouraged to contact the Internal Revenue Service and the Franchise Tax Board to obtain tax-exempt status, with donations being deductible only if the club is an IRS-approved 501(c)(3) organization. It is the organization's responsibility to remain informed and compliant with all state and federal laws, with additional resources available in the Tax Information section.

FORMATION OF A SCHOOL CONNECTED ORGANIZATION

For those interested in establishing and operating nonprofit organizations like school-connected organizations, the guide available at the following link serves as a valuable resource: Guide for Charities. This document, published by the Office of the Attorney General, provides comprehensive information on the requirements, best practices, and legal obligations for managing a nonprofit organization effectively.

School-Connected Organization Approval Process

To meet its legal and fiduciary obligations, the District requires the approval of all school-connected organizations by both the site Principal and the District. This process mandates that every school-connected organization, whether new or seeking renewal of a previous approval, must annually submit a comprehensive application accompanied by all necessary documentation.

Until the school Principal and the District's Chief Business Officer have granted their final approval, school-connected organizations are not authorized to commence operations. Approval is typically valid for one fiscal year, starting on July 1st and concluding on June 30th. However, this authorization can be rescinded at any time by either the District Superintendent or the Chief Business Officer should they deem it necessary. To maintain continuous operation, school-connected organizations must reapply for approval on an annual basis.

FORMATION OF A SCHOOL CONNECTED ORGANIZATION (continued)

Choosing a Name

A school-connected organization should select a name that clearly identifies the organization as an independent entity and does not imply that it is a department, program, or official representative of the District, a school site, or the Associated Student Body (ASB).

Organizations wishing to use the name of a District school as part of their name should obtain prior approval from the District. The District may require the organization's name to include terms such as "Booster Club," "Foundation," "PTA," or similar language to clearly identify the organization's independent status.

School-connected organizations shall not use the District's or a school's name, logo, mascot, trademarks, or other identifying marks without prior District approval. Organizations also shall not use the District's or a school's address as their official business address unless specifically authorized by the District.

Organizations are responsible for ensuring that their proposed name complies with applicable state requirements. Information regarding business entity names and name availability may be obtained from the California Secretary of State.

Articles of Incorporation

Although California law recognizes several forms of nonprofit organizations, the District requires each school-connected organization seeking recognition by the District to be organized as a California nonprofit public benefit corporation and to maintain applicable federal and California tax-exempt status, unless an exception is approved in writing by the Superintendent or Chief Business Officer.

Organizations are responsible for preparing and filing their Articles of Incorporation with the California Secretary of State and for complying with all applicable state and federal filing requirements. The District does not provide legal or tax advice regarding the formation or governance of nonprofit organizations.

Organizations should refer to the California Secretary of State for current filing forms and instructions and consult legal counsel or a qualified tax professional as appropriate. Organizations seeking federal tax-exempt status should also refer to the Internal Revenue Service (IRS) for applicable requirements.

Select Board of Directors

In California, every nonprofit corporation is legally required to maintain a board of directors, serving as the governing body responsible for overseeing the organization's operations and ensuring its compliance with both its mission and applicable laws. This mandate is integral to the nonprofit's structure, as it delineates a clear framework for accountability, decision-making, and strategic planning.

The board of directors plays a pivotal role in setting the corporation's policies, objectives, and overall direction. Members of the board are tasked with fiduciary responsibilities, which include ensuring the nonprofit's assets are used effectively and for the purposes for which the nonprofit was established. This involves overseeing financial management, approving budgets, and ensuring the organization has adequate resources to fulfill its mission.

FORMATION OF A SCHOOL CONNECTED ORGANIZATION (continued)

Select Board of Directors (continued)

In California, the composition and number of directors on the board are subject to specific legal requirements, which are outlined in the California Corporations Code. The code specifies minimum and maximum numbers of directors, how directors are elected or appointed, and the length of their terms, among other governance aspects. It also details the procedures for holding board meetings, including how meetings are called, noticed, and conducted, ensuring transparency and effective governance.

The requirement for nonprofit corporations to maintain a board of directors underscores the importance of responsible and ethical management. It ensures that nonprofits operate not in the interest of private individuals but in service to the public good, aligning with their charitable, educational, or religious missions. Through diligent oversight, strategic leadership, and a commitment to the organization's goals, the board of directors plays an indispensable role in the success and integrity of California's nonprofit corporations.

Membership Guidelines

School-connected organizations should encourage broad participation by parents, guardians, community members, and District staff in accordance with their bylaws. Students are not eligible for membership except in an honorary or non-voting role.

Membership eligibility, voting rights, officer qualifications, election procedures, and terms of office should be clearly established in the organization's governing documents and administered fairly and consistently.

To promote accessibility and inclusiveness:

- School-connected organizations shall not discriminate in membership or participation on any basis prohibited by federal or state law or District policy.
- Membership should not be denied solely because an individual is unable or unwilling to pay voluntary membership dues or make a financial contribution. Any membership dues established by the organization should be voluntary and should not create barriers to participation.
- School-connected organizations shall not require students or parents to pay fees for participation in educational activities where such charges would be inconsistent with California law or District policy. Voluntary donations and participation in optional fundraising activities are permitted.

To promote sound governance and avoid conflicts of interest with District employees:

- District employees should avoid serving in positions that create an actual or perceived conflict of interest between their District responsibilities and their responsibilities to a school-connected organization.
- District employees whose official responsibilities include supervising, approving, or overseeing a school-connected organization's activities, fundraising, expenditures, or financial operations should not serve in financial officer positions or otherwise authorize financial transactions on behalf of that organization.
- School-connected organizations should maintain appropriate separation between their governance and District operations. District employees acting within the scope of their official District duties shall not execute contracts or other legal documents on behalf of a school-connected organization unless specifically authorized by District policy and the organization's governing documents.

School-connected organizations exist to support District educational programs while remaining independent legal and financial entities. These guidelines are intended to promote transparency, accountability, ethical governance, and broad community participation while maintaining appropriate

separation between District operations and school-connected organization activities.

FORMATION OF A SCHOOL-CONNECTED ORGANIZATION (continued)

Draft and Adopt Bylaws

Each school-connected organization should adopt written bylaws that establish the organization's governance and operating procedures. At a minimum, the bylaws should address:

- The organization's purpose and nonprofit status.
- Membership eligibility and voting rights (if applicable).
- The composition, election, duties, and terms of the board of directors and officers.
- Meeting procedures, quorum requirements, and voting.
- Committee authority and responsibilities, if applicable.
- Conflict of interest procedures.
- Fiscal year and financial oversight responsibilities.
- Procedures for amending the bylaws.
- Dissolution of the organization and distribution of remaining assets in accordance with applicable law.

Organizations are responsible for ensuring their bylaws comply with applicable federal and California law. The District does not provide legal advice regarding the formation or governance of nonprofit organizations. Organizations are encouraged to consult legal counsel as needed and refer to the California Secretary of State and California Attorney General, Registry of Charities and Fundraisers for information regarding nonprofit corporation requirements.

Obtain Employer Identification Number (EIN)

School connected organizations function autonomously from the District and must obtain their own Tax Identification Number (TIN) from the Internal Revenue Service (IRS). To enable tax-exempt contributions and allow donors the possibility of claiming tax deductions, the District recommends that each school-connected organization seeks tax-exempt status as outlined in Section 501(c)(3) of the Internal Revenue Code.

Securing 501(c)(3) status not only aids donors in receiving tax deductions for their donations but also enables the club to qualify for grants and various tax-exempt funding opportunities. This, in turn, significantly boosts the club's capacity to fulfill its mission. Donors are encouraged to consult with their tax advisors to understand the tax implications of their contributions fully.

Following the successful filing of the articles of incorporation with the Secretary of State, thereby officially forming the corporation, you can proceed to apply for a Federal Employer Identification Number (FEIN) online. Alternatively, should circumstances necessitate, you may apply for this number via mail, fax, or phone by utilizing Form SS-4. This step is essential for initiating the club's financial and operational activities under its unique tax entity.

FORMATION OF A SCHOOL-CONNECTED ORGANIZATION (continued)

Hold First Director Meeting

Shortly after the formation of the corporation, it's crucial to convene the inaugural meeting of the board of directors. This initial gathering is foundational, setting the stage for the organization's governance and operational strategies. The agenda for this first meeting commonly encompasses several key actions:

Adoption of Bylaws: Formalizing the corporation's governing rules.

- **Election of Officers:** Designating individuals to key leadership positions.
- **Adoption of a Conflict of Interest Policy:** Ensuring all board members and officers act in the corporation's best interest.
- **Establishment of a Bank Account:** Facilitating the management of the corporation's finances.
- **Setting the Accounting Year:** Aligning the financial reporting period with operational needs.
- **Budget Planning:** Outlining a financial plan for the corporation's first year.
- **Adopting Record-Keeping Procedures:** Establishing protocols for the preservation and access of minutes, bylaws, and other critical corporate documents.

It's imperative for these proceedings to be meticulously documented.

Selecting Officers

Every public benefit corporation, including school-connected organizations, must establish a minimum of three officer positions to ensure proper governance and compliance with state regulations. These essential roles are President, Secretary, and Treasurer. The corporation's bylaws may authorize additional officer roles as deemed necessary for the organization's effective operation. It's important to note that no individual serving as Secretary or Treasurer may concurrently hold the position of President or Chair of the public benefit corporation. Typically, the Board of Directors is responsible for appointing these officers.

The selection of officers within a school-connected organization is crucial for its successful operation and adherence to governance standards. Officers should be elected on an annual basis to the executive roles of President, Vice-President (if the bylaws allow for this position), Secretary, and Treasurer. Together, these individuals comprise the Executive Board, charged with ensuring the club's operations are not only financially prudent but also in strict compliance with all applicable laws, regulations, and statutes. Executive Board members bear the responsibility of stewarding the organization wisely, requiring their active participation in management activities, such as attending meetings regularly, reviewing reports critically, and maintaining a thorough understanding of meeting proceedings.

To solidify their commitment and comprehension of their responsibilities, officers are to sign a **School-Connected Organization Manual and District Policies Acknowledgment form**. This document serves as confirmation that they have familiarized themselves with the School-Connected Organization Manual as well as any relevant District policies and regulations. These signed Acknowledgement forms, accompanied by the fully completed school-connected organization application, must be submitted to the school principal before initiating any of the club’s activities for the upcoming school year.

FORMATION OF A SCHOOL CONNECTED ORGANIZATION (continued)

This procedure ensures that the leadership of the school-connected organization is well-informed, committed to their roles, and prepared to guide the organization towards fulfilling its mission in support of school programs and activities, all while upholding the highest standards of integrity and compliance.

The roles and responsibilities within a school-connected organization are pivotal to its success and adherence to governance standards. District employees are not permitted to serve in officer roles. Here is a sample overview of the duties for each key officer position:

President

The President often comes from a background of active involvement within the club. Their duties include:

- Leading all organizational meetings.
- Conducting regular discussions with the site Principal and campus representatives about booster activities.
- Addressing and resolving membership issues.
- Meeting monthly with the Treasurer to review the club's financial status.
- Appointing a non-treasurer officer to independently review bank statements, ensuring an additional layer of financial oversight.
- Initiating an annual financial review of the club's records and submitting financial statements to the Business Services Department and Site Principal biannually.

Vice-President

The Vice-President serves as the President's deputy, ready to step in during the President's absence. Their responsibilities are:

- Leading meetings when the President is unavailable.
- Undertaking administrative tasks as assigned by the President.

Secretary

The Secretary is essential for maintaining the club's records and ensuring communication clarity. Their tasks include:

- Documenting recommendations from the Executive Board.
- Keeping accurate minutes of meetings, as well as records of committee rules, membership, and attendance.
- Managing all official correspondence on behalf of the club.

FORMATION OF A SCHOOL CONNECTED ORGANIZATION (continued)

Treasurer

The Treasurer manages the club's finances, a role demanding precision and, ideally, an accounting background. Their major duties encompass:

- Issuing receipts and ensuring prompt deposits of all received funds.
- Preparing and presenting detailed financial reports to the membership within 30 days of the month's end and submitting semiannual reports to the Executive Board.
- Keeping meticulous records of all transactions and maintaining fidelity insurance for all individuals handling funds, with coverage amounts determined by the Executive Board.
- Complying with state and federal tax reporting requirements, including filing sales tax reports and the annual IRS Form 1099.

Given the intricacies of tax regulations and the importance of financial integrity, the Treasurer's role is critical. It's highly recommended that individuals serving in this capacity possess or acquire a strong background in accounting to navigate the complexities of financial management for nonprofit organizations effectively.

Submit a Statement of Information with the Secretary of State

The **Statement of Information** (Form SI-100) is required to be submitted to the Secretary of State within 90 days following the filing of the initial articles of incorporation. For convenience, this form can be filed online for the majority of organizations. It's important to note that most California nonprofit corporations are obligated to resubmit this form at a minimum every two years throughout the corporation's existence. This ensures that the state maintains current records on the corporation, including details on governance and contact information.

Tax Exemptions to the Internal Revenue Service (IRS) and California Franchise Tax Board (FTB)

It's crucial to understand that California nonprofit corporations do not automatically receive exemption from income or other relevant taxes. To attain exemption from federal income taxes, the corporation must file either Form 1023 or Form 1023-EZ with the Internal Revenue Service (IRS), depending on its size and scope. Additionally, to secure an exemption from California's franchise tax—including the standard minimum franchise tax of $800 applicable to most corporations in the state—the corporation must file Form 3500 with the FTB. In cases where the corporation has already secured federal tax-exempt status from the IRS, Form 3500A can be submitted to the FTB to recognize the exemption at the state level.

FORMATION OF A SCHOOL CONNECTED ORGANIZATION (continued)

Sales and Use Tax Laws & Obtaining a Seller's Permit

Federal or California income-tax exemption does not generally exempt a school-connected organization from California sales or use tax. California does not provide a general sales-and-use-tax exemption based solely on an organization's nonprofit status, Section 501(c)(3) status, or size. certain organizations or transactions may qualify for specific statutory exemptions or exclusions. A school-connected organization that sells tangible personal property should consult the California Department of Tax and Fee Administration or a qualified tax professional to determine whether it must obtain a seller's permit, collect and remit sales tax, and file sales-and-use-tax returns.

School-connected organizations intending to engage in fundraising activities that involve selling goods or merchandise are required to secure a seller's permit from the State of California, regardless of whether the sales are taxable. This requirement applies to various activities, including but not limited to operating concession stands and selling school spirit wear or other merchandise. It is critical for school-connected organizations to understand that they must obtain their own seller's permit and may not use another club's or the District's sales permit number for their activities. Generally, sales conducted by school-connected organizations are considered taxable events.

For detailed guidance on how to obtain a seller's permit, as well as comprehensive information on sales and use tax regulations, the California Department of Tax and Fee Administration (CDTFA) is an excellent resource. You can visit their website at http://www.cdtfa.ca.gov or contact them by phone at 1-800-400-7115. Additionally, the following publications offer further insight:

Publication 73, "Your California Seller's Permit": Provides an overview of the seller's permit, its requirements, and how to apply are available online at:
http://www.cdtfa.ca.gov/formspubs/pub73.pdf.

Publication 18, "Nonprofit Organizations": Offers detailed information on how sales and use tax laws apply to nonprofit entities, including exemptions and compliance. Accessible at: http://www.cdtfa.ca.gov/formspubs/pub18.pdf.

Opening a Bank Account

School-connected organizations are required to maintain separate bank accounts to ensure transparent and accountable financial management. It is important to keep school-connected organization funds distinct from those of the Associated Student Body (ASB); commingling of these funds is strictly prohibited.

To establish a bank account, a school-connected organization needs to secure an Employer Identification Number (EIN) from the IRS, as detailed in the "Obtain Employer Identification Number (EIN)" section. The account must be opened under the school-connected organization's official name, consistent with the guidance provided in the "Choosing a Name for the School-Connected Organization" section.

FORMATION OF A SCHOOL CONNECTED ORGANIZATION (continued)

Opening a Bank Account (continued)

For enhanced financial oversight and internal controls, it is recommended that disbursements from the account require the signatures of at least two designated school-connected organization officers. This practice helps in maintaining checks and balances within the club's financial operations.

The club should ensure that all funds received are promptly receipted and deposited into the bank account, ideally on a weekly basis. The Treasurer is tasked with reconciling the bank statement each month and compiling a monthly financial report. This report should then be reviewed and formally approved by another executive officer, reinforcing the club's commitment to fiscal responsibility and integrity.

Insurance Requirements

The District's liability in relation to the conduct and activities of organizations created to support it, such as school-connected organizations, may vary based on the nature of the relationship between the District and the organization. This relationship could be contractual, based on the level of control exerted by the District, or because the District benefits from the organization's activities. Consequently, legal actions arising from an organization's activities might also implicate the District, potentially leading to joint liability claims. Regardless of the lawsuit's merit concerning the District, legal defense costs will be incurred.

To mitigate such risks, the District mandates that all school-connected organizations secure a Certificate of Liability Insurance, adhering to the minimum coverage limits specified below and on the provided certificate:

- General Liability: $1,000,000 (per occurrence) General Liability: $2,000,000 (aggregate)

Furthermore, it's advised that school-connected organizations obtain Crime Coverage or a Fidelity Insurance Bond adequate to cover the entirety of the booster's cash assets.

School-connected organizations are free to choose any insurance provider. For assistance, the following websites may be helpful: www.boosterclubs.org www.rvnuccio.com

The Certificate of Insurance must designate the Saratoga Union School District as the "Certificate Holder." Additionally, submission of the Endorsement Page, which includes naming the District as an additional insured, is required. For further details on insurance requirements, school-connected organizations should reach out to the District’s Chief Business Officer.

When utilizing school facilities, the District reserves the right to demand higher coverage levels based on the nature of the usage, including athletic activities and large-scale events. Through proper supervision and monitoring of school-connected organization activities, the District can more effectively manage its risk exposure.

FORMATION OF A SCHOOL CONNECTED ORGANIZATION (continued)

Financial (or Audit) Review Committee

To promote sound financial stewardship, transparency, and accountability, each school-connected organization shall conduct an annual financial review of its financial records following the close of its fiscal year. The review is intended to provide the Board of Directors with an independent assessment of the organization's financial records and internal controls. It is not an audit and does not provide an opinion or other assurance on the organization's financial statements.

The financial review should be performed by a committee appointed by the Board of Directors consisting of at least two members who are independent of the organization's day-to-day financial operations. Whenever practical, the committee should consist of three members. Individuals serving as authorized check signers, the Treasurer, President, or any person responsible for maintaining the accounting records should not serve on the committee.

The committee's review should include, as appropriate:

- Reviewing the annual financial statements and comparing them to the organization's accounting records.
- Reviewing bank reconciliations and selected bank statements for reasonableness.
- Reviewing a sample of receipts and disbursements to determine whether they are supported by appropriate documentation and, where applicable, Board approval.
- Confirming that required financial reports have been presented to the Board and that required filings with the District and governmental agencies have been completed, if applicable.
- Considering whether any unusual or unexplained transactions should be brought to the attention of the Board of Directors.
- Confirming that financial records appear complete and organized for the period under review.

Committee members are not expected to perform the work of professional auditors or to detect fraud or irregularities. Rather, the purpose of the review is to promote accountability, identify opportunities to strengthen internal controls, and provide reasonable oversight of the organization's financial management.
Upon completion of the review, the committee shall prepare a written report summarizing the procedures performed, observations, and any recommendations for improvement. If the committee identifies significant concerns or discrepancies, those matters should first be discussed with the Treasurer and President to obtain additional information or clarification. Any unresolved concerns, together with management's response, should be reported to the Board of Directors for appropriate action.

All officers and individuals responsible for the organization's financial records shall provide the committee with timely access to financial records, supporting documentation, bank statements, meeting minutes, and other information reasonably necessary to complete the review.

Organizations may, at their discretion, engage an independent Certified Public Accountant (CPA) or other qualified professional to perform additional financial services. However, an independent audit or financial statement review by a CPA is not required unless otherwise required by the organization's governing documents, grant requirements, or applicable law.

The **Annual Financial (or Audit) Review must be forwarded to the District** upon completion and as a condition for renewal for the next school year.

FORMATION OF A SCHOOL CONNECTED ORGANIZATION (continued)

Dissolution of School-Connected Organizations

Dissolving a school-connected organization involves a formal process to ensure all legal and financial responsibilities are met. The procedure begins with the adoption of a resolution by either the entire booster organization or the Executive Board when the organization has become inactive. This resolution will declare the intention to consider the club's dissolution and propose a vote on the matter during a special meeting designated for members with voting rights.

Notice of this crucial meeting must be communicated in writing or printed form to the site

Principal at least fourteen (14) days in advance. The notification should clearly state that the meeting's primary objective is to deliberate on the dissolution of the organization.

Prior to formal dissolution, the school-connected organization is obligated to decide on the allocation and utilization of remaining treasury funds and any other assets. In alignment with Internal Revenue Service (IRS) regulations, it is imperative that the dispersal of any surplus funds adheres to the organization's foundational goals. For instance, funds from a band booster should be directed to support the musical program at the same campus. Deviating from this guideline risks jeopardizing the organization's tax-exempt status, potentially subjecting it to full taxation. This policy regarding the distribution of assets upon dissolution should be explicitly outlined in the school-connected organization's bylaws to ensure clarity and compliance.

OPERATING PROCEDURES

Fundraising Guidelines

In alignment with Education Code Section 51521, all programs, fundraisers, or activities conducted by school-connected organizations must receive authorization and comply with local board policies, applicable laws, and school regulations. This includes any fundraiser when the proceeds will be used in whole or in part to benefit the schools, whether on campus or off campus, including the use of online fundraisers such as crowdfunding.

At the start of each academic year, school-connected organizations are required to submit a list of proposed fundraising events for the year as part of their annual application packet. Should there be any changes to these events, an updated list must be submitted to the site Principal at least four (4) weeks in advance of the revised event date. The Site Principal will review these proposals to ensure they do not interfere with or detract from the school's educational objectives. Written approval from the site Principal is mandatory before any fundraising activity commences.

The following are guidelines for school-connected organization fundraising activities within the District:

1. Students shall not be involved in fundraising activities except as volunteers after school hours and/or off campus for the booster organization.
2. All booster funds are collected and maintained by the organization. The District or ASB tax identification number cannot be used. No booster funds shall be kept in ASB accounts or school site safes.
3. No coercion shall be exercised in fundraising activities, and no student or teacher is required to raise any minimum of money or sell any minimum number of tickets, etc. Under no circumstances should pressure be brought to bear on students through competition or by special recognition of sales.

OPERATING PROCEDURES (continued)

Fundraising Guidelines (continued)

All funds received from school-connected organization fundraising activities must be used to benefit the student group and school in an appropriate way. Fundraising projects must be:

1. For the educational benefit of the student group, coordinated through the Principal.
2. For a specific project, as identified in the approved budget.
3. In connection with the established goals and philosophies of the school-connected organization as well as District guidelines.
4. For the benefit of the student program that the school-connected organization supports. The use of individual student accounts or tracking of student accounts is not allowed.

Education Code section 51520 states:

51520. (a) During school hours, and within one hour before the time of opening and within one hour after the time of closing of school, pupils of the public school shall not be solicited on school premises by teachers or others to subscribe or contribute to the funds of, to become members of, or to work for, any organization not directly under the control of the school authorities, unless the organization is a nonpartisan, charitable organization organized for charitable purposes by an act of Congress or under the laws of the state, the purpose of the solicitation is nonpartisan and charitable, and the solicitation has been approved by the county board of education or by the governing board of the school district in which the school is located.

On-campus activities, especially fundraisers, should not supplant, duplicate, nor interfere with those of the school or other school-connected organizations. The site Principal has the authority to limit the number or type of on-campus fundraisers.

Fundraiser Reconciliation

A fundraiser reconciliation shall be completed promptly after each fundraising event. The reconciliation shall compare expected gross receipts with amounts collected and deposited and shall account for all tickets, merchandise, inventory, refunds, complimentary items, processing fees, and event expenses. The preparer and an independent reviewing officer shall sign and date the reconciliation.

All receipts shall be deposited intact. Cash collections may not be used to reimburse expenses, make purchases, provide change for another event, or replenish petty cash before deposit.

School-Connected Food Sales

School connected organizations engaging in food sales on school premises must adhere to federal and state laws, alongside district policies and regulations governing such activities. It's imperative for school-connected organizations to familiarize themselves with the relevant legal requirements, including county food handling protocols, federal and state nutritional guidelines, and the district's Wellness Policy.

OPERATING PROCEDURES (continued)

School-Connected Food Sales (continued)

While school-connected organizations are among the entities that the district may authorize to manage concession stands at sporting events to generate funds, it is important to note that the Associated Student Body (ASB) typically receives priority in these matters. Additionally, all snack bars and food sale operations conducted by school-connected organizations are subject to random inspections by the County Health Department to ensure compliance with health and safety standards.

School connected organizations are encouraged to proactively seek information on these regulations to ensure their food sale activities are conducted responsibly and legally, contributing positively to the school community and the organization's fundraising goals.

Bingos, Raffles and Auctions

Under specific conditions, eligible organizations are authorized by Penal Code Sections 320.5 (raffles) and 319 and 326.5 (bingos) to conduct raffles and bingos. It's important to note that school districts, individual schools, or Associated Student Bodies (ASBs) are not permitted to organize raffles. However, nonprofit groups such as school-connected organizations can engage in these activities, provided they meet certain criteria:

- The organization must be tax-exempt under Revenue and Taxation Code 23701(d), affirming its nonprofit status.
- The organization must have been licensed to operate as a business in California for a minimum of one year, establishing its standing and commitment to lawful operations.

These provisions ensure that bingos, raffles, and auctions conducted by school-connected organizations are in compliance with state laws, enabling these groups to raise funds while adhering to legal standards and ethical practices. School connected organizations considering such fundraising activities should thoroughly review these regulations and obtain the necessary licenses and approvals before proceeding.

Bingos:

State laws and local ordinances permit certain tax-exempt organizations to organize bingo events for fundraising purposes, under the following conditions:

1. **Charitable Use of Proceeds:** All money raised from bingo events must be dedicated solely to charitable purposes.
2. **Volunteer Staffing:** Bingo games must be operated and conducted by volunteers who are members of the organization.
3. **Prohibition on Salaries:** Proceeds from bingo cannot be used to pay salaries or any form of compensation to individuals.
4. **Financial Integrity:** Funds generated from bingo activities must not be mixed with any other funds of the organization.
5. **Licensing Requirements:** The organization must possess a valid bingo license issued by the city or county where the bingo event is conducted.

OPERATING PROCEDURES (continued)

Bingos, Raffles and Auctions (continued)

Bingos: (continued)

Important Restrictions on Bingo Events:

1. **Age Limit:** Individuals under the age of 18 are prohibited from participating in bingo games.
2. **Operational Control:** Only members of the organization authorized to hold bingo games are allowed to conduct, oversee, or engage in any promotional, supervisory, or operational aspects of the bingo event.

Organizations planning to conduct bingo as a fundraising activity should ensure compliance with these guidelines to maintain the integrity of their fundraising efforts and to adhere to legal requirements.

Raffles:

Under California law, specifically Penal Code 320.5 which was enacted in 2001, nonprofit organizations are permitted to conduct raffles for charitable purposes. To ensure compliance with the law, it is mandated that at least 90% of raffle revenue is directed towards charitable causes or programs.

Registration and Reporting Requirements:

- Registration: Charitable organizations intending to conduct a raffle must register with the Attorney General's Registry of Charitable Trusts prior to the event.
- Annual Reporting: Organizations are also required to annually report the outcomes of any raffles conducted. Both registration and reporting forms are accessible via mail or the Registry of Charitable Trusts website.
- Key Restrictions on Raffles:
    - Allocation of Proceeds: A minimum of 90% of the gross receipts from the raffle must be allocated to support a charitable or beneficial purpose.
    - Ticket Requirements: Raffle tickets must be detachable and feature identifying numbers.
    - Age Restriction: Only individuals over the age of 18 are permitted to oversee the raffle drawing.
    - Internet Prohibition: Conducting raffles over the Internet is not allowed.

Conducting a Legal Raffle:

For detailed guidance on organizing a legal raffle, visit the California Attorney General's website. Prior to conducting a raffle, your group must:

1. **Register with the Department of Justice:** Complete the annual raffle registration form, available at this link, by September 1st of the year the raffle is to be held.
2. **Submit an Annual Report:** Annually, a report detailing the gross receipts, expenses, and the charitable or beneficial purposes for which the proceeds were utilized must be submitted to the Department of Justice.

Adhering to these guidelines ensures that your organization's raffle activities are conducted legally and ethically, supporting your charitable mission while complying with state regulations.

OPERATING PROCEDURES (continued)

Auctions

Auctions present a fundraising opportunity where donated or purchased items are offered for sale through a silent auction, with the aim of raising funds for a specific group or school activity. An auction organized by a school-connected organization on a non-school day, such as Saturday, with the intention of generating donations for the school is considered a permissible fundraising activity. This setup allows both parents and students to participate in the bidding process, as it occurs outside of school hours and is not classified as gambling.

Key Considerations for Auction Fundraisers:

- **Transparency and Trust:** Given the community's expectation that funds raised will support school functions, it is essential for organizers to ensure that all donations received are allocated as publicly stated by the fundraising entity.
- **Legal Compliance:** While auctions are generally not regarded as gambling and are permissible outside school hours, organizers should still ensure they comply with any relevant local regulations or requirements.
- **Ethical Use of Funds:** Organizers must exercise diligence in using the proceeds in the manner advertised to contributors. This involves clear communication about the fundraising goals and the intended use of funds.

Auction Sales and Sales Tax. The sale of tangible personal property through a live, silent, or online auction may be subject to California sales tax. School-connected organizations should consult the California Department of Tax and Fee Administration or their tax advisor to determine whether a seller's permit is required and whether sales tax must be collected and remitted. Items consisting solely of services or intangible rights may not be subject to sales tax. Organizations should maintain records supporting the tax treatment of each auction item.

In summary, auctions can serve as effective fundraisers for school-related purposes when conducted with transparency, integrity, and in accordance with community expectations. It's crucial for those involved to manage and utilize the funds raised responsibly.

OPERATING PROCEDURES (continued)

Cash Receipts Management

School-connected organizations must ensure that all cash received from various sources such as fees, dues, fundraising events, and other activities is deposited into the club's bank account promptly. It is imperative to maintain accurate records for each transaction, detailing the source and amount of funds collected. This documentation is crucial for transparency and must be accessible for auditing purposes.

Key Practices for Handling Cash Receipts:

1. **Documentation:** Always back up cash collections with clear documentation, recording the source and amount of funds. This practice aids in financial tracking and audit readiness.
2. **Witness Verification:** Count funds in the presence of a witness to ensure accuracy and accountability. Both parties should countersign deposit forms to attest to the amount being deposited.
3. **Secure Transportation:** Utilize tamper-evident sealed plastic bank bags for transporting cash. This measure adds an additional layer of security throughout the custody chain.
4. **Custody and Storage:** The responsibility for cash collections should remain solely with the school-connected organization's treasurer. To safeguard the integrity of funds, they must never be left in the possession of unauthorized individuals or stored in site or district safes.

By adhering to these guidelines, school-connected organizations can enhance the security and accountability of their cash handling processes, ensuring that all funds are managed responsibly and in alignment with best practices.

Maintaining Bank Accounts

The District requires that school-connected organizations:

- Accounts to be opened in the organization’s legal name and EIN—not an officer’s name or Social Security number.
- Proceeds to be deposited directly into the organization’s bank account.
- At least two officers have administrative visibility. For example, segregate duties of two officers, independent review by one officer over the transaction, or a second officer approval. Shared passwords are prohibited.
- Monthly reconciliation of platform reports to bank deposits and accounting records.
- Documentation of gross receipts, processing fees, refunds and chargebacks.
- Prohibition against personal Venmo, PayPal, Cash App or other personal payment accounts.
- Preservation of donor restrictions and supporting documentation for restricted cash accounts.

OPERATING PROCEDURES (continued)

Bank Deposits

For effective financial management and security, it is advisable to make bank deposits daily when total receipts exceed $250.00. Ensure all funds are deposited before weekends and holidays. Adhering to the following internal controls is essential for the proper safeguarding of funds:

1. **Preparation:** Sort all currency and coins by denomination. Count and accurately record these amounts on the bank deposit form. Checks should be endorsed "For Deposit Only."
2. **Check Documentation:** If including checks in the deposit, you may run a tape of the checks instead of listing each one individually on the deposit slip. Keep a copy of this tape with your deposit records for verification.
3. **Deposit Slip Totaling:** Ensure that the deposit slip accurately reflects the total amount being deposited.
4. **Receipt Organization:** Organize deposited receipts in consecutive sequences to confirm completeness. If using multiple receipt books, group these separately to maintain a clear audit trail.
5. **Receipt and Deposit Reconciliation:** Compare the totals from pre-numbered cash receipts with the deposit total to ensure they match.
6. **Record Keeping:** Attach a summary of the cash receipts to a copy of the deposit slip. File these documents in order of the deposit date for easy reference.
7. **Verification by a Second Party:** Have another individual independently verify the count and ensure the deposit amount is correctly recorded on the deposit slip. Both parties should initial the slip as a sign of agreement.
   Secure Packaging: Seal the deposit in a tamper-evident bag in the presence of the verifying individual. This practice, known as dual control, strengthens the organization's position in any disputes over deposit accuracy claimed by the bank.

By following these guidelines, school-connected organizations can enhance the integrity of their financial processes and establish a solid foundation for managing and protecting organizational funds.

Managing Petty Cash

For those occasions when petty cash is necessary, it's crucial to uphold stringent controls to ensure the fund's integrity and security. The following guidelines are designed to manage petty cash effectively:

1. **Secure Storage:** Keep the petty cash in a locked box. Access should be limited to the treasurer and one additional officer to maintain control and security.
2. **Non-Employee Control:** District employees must not be responsible for or have control over the petty cash fund. This separation ensures the fund's management remains within the school-connected organization's governance.
3. **Intended Use:** Petty cash is reserved for emergency purchases only. Routine or planned expenditures should be conducted through the school-connected organization’s checking account to maintain transparency and accountability.
4. **Documentation of Expenditures:** For every disbursement made from the petty cash, a receipt must be obtained and retained. This documentation is vital for tracking and justifying the fund's use.
5. **Reconciliation:** At all times, the total of the remaining petty cash and the collected receipts should match the original amount allocated to the petty cash fund.

Adhering to these guidelines helps maintain the petty cash fund's security and proper usage, ensuring it serves its intended purpose without compromising the school-connected organization's financial integrity.

OPERATING PROCEDURES (continued)

Bank Reconciliation Process

The process of bank reconciliation is a critical financial control measure for ensuring the accuracy of the school-connected organization's financial records. Upon receiving the monthly bank statement, the reported balance should be reconciled with the bank account balance recorded in the general ledger as of the month's end. This reconciliation ought to be completed within thirty (30) days following the bank statement's issuance date.

To enhance financial integrity and oversight, an appointed officer, distinct from the treasurer, is tasked with receiving the bank statements via mail to the school connected organization's permanent address, typically the school, and shall never be mailed to the home address of a check signing officer. If a physical bank statement cannot be mailed to the school site, a non-check signer, typically the financial reviewer, shall be granted view-only access to the bank account. The financial reviewer shall review the statement online and sign a downloaded PDF copy of the statement to document the monthly review.

Reconciliation Procedure by the Treasurer Involves:

- Utilizing a Bank Reconciliation Form: A structured template to facilitate the reconciliation process.
- Referencing the Previous Month's Bank Reconciliation: To ensure continuity and accuracy.
- Reviewing the Bank Statement: For a comprehensive overview of the accounts' transactions.
- Checking the Check Register and/or Cash Disbursement Journal: To verify outflows.
- Inspecting the Cash Receipts Journal: For a record of all incoming funds.
- Consulting the General Ledger: As the primary financial record.

Subsequent Review:
Once the treasurer has completed the bank reconciliation, it should then be submitted for monthly review to either the school-connected organization President or designated non-signing executive board officer. This step is crucial for maintaining an additional layer of oversight and ensuring the financial health and transparency of the club's operations.

Disbursement of Funds

Effective financial management at the beginning of each school year includes the creation of a detailed budget that outlines anticipated expenditures. This preparatory step ensures that the school-connected organization's financial activities are planned and accounted for in advance.

Budget Development: Formulate a comprehensive budget to forecast the club's financial needs and allocations for the upcoming year.

- Expenditure Verification: Prior to disbursing funds, verify that the request aligns with the planned budgeted expenditures.
- Approval for Extra-Budgetary Expenditures: Any expenses that fall outside the approved budget or that exceed budgeted line items must be presented for approval by a vote of the general membership.

Restrictions on Use of Funds:

- **Prohibited Payments:** Direct payments to District employees from booster funds are strictly forbidden.
- **Restricted Purchases:** The use of booster funds for the purchase of alcoholic beverages or tobacco products is not allowed.

OPERATING PROCEDURES (continued)

Disbursement of Funds (continued)

Expenditure Approval Process:

- **Mandatory Approval:** All expenditures, regardless of size, should be formally approved. It is advisable to use a disbursement voucher for this purpose. Approval by two authorized officers is required. This would apply not only to traditional checks but online bill payments, wire transfers, and peer-to-peer payment platforms.
- **Supporting Documentation:** Attach relevant documentation (e.g., invoices, receipts) to the disbursement form. This practice is essential for maintaining a transparent and auditable financial record.
- **Documentation Filing:** Keep disbursement forms and attached documentation filed in sequential order by check number for easy reference and auditability.

Issuing Checks:

- **Supporting Documentation Requirement:** Checks must only be issued when backed by the appropriate and complete supporting documentation. This ensures each disbursement is justified and can be traced back to a legitimate club expense.

Credit and Debit Card Controls: If credit or debit cards are used by the school-connected organization, there must be established controls such as:

- Board authorization for each card and cardholder
- Cards issued in the organization’s name
- No cash withdrawals
- No personal purchases
- Spending limits on the card
- Original receipts and documented business purposes to support all charges
- Monthly statement is reviewed by someone other than the cardholder
- No use of reward points for personal benefit
- Immediate cancellation when an officer leaves
- Prohibition against debit cards when reasonable, because they provide direct access to cash

By adhering to these guidelines, school-connected organizations can maintain financial integrity, ensure compliance with regulations, and effectively manage their resources to support school programs and activities.

Donations by School-Connected Organizations to School Sites

School connected organizations are established to support schools and/or their Associated Student Body (ASB) organizations through various forms of contributions, including cash, supplies, equipment, and transportation. All donations must be processed and managed in accordance with the policies and procedures endorsed by the school board. Specifically, contributions directed towards the ASB or any of its clubs are to be formally accepted by the ASB's student council, whereas donations aimed at the school or the entire District require approval from the District's Board of Education.

OPERATING PROCEDURES (continued)

Donations by School-Connected Organizations to School Sites (continued)

When a school-connected organization intends to allocate funds for the purchase of supplies or equipment for the ASB or one of its clubs, the process begins with the club donating the funds and clearly specifying the donation's intended use. Subsequently, the procurement of the specified items will be conducted through the District's established purchasing system by an authorized representative, ensuring compliance with both District guidelines and relevant statutory regulations. To maintain consistency with District standards, it is advisable for equipment intended for District use to be acquired directly by the District using the donated funds. Items purchased with these funds will be owned by the school and the District, and therefore, must be delivered to a designated school district address, excluding any school-connected organization addresses for such transactions. Any donor restriction applies only to the approved purchase and does not grant ongoing control of the use of the supplies or equipment.

Furthermore, school-connected organizations may contribute funds for student transportation to events. In these instances, the school will fill out a field trip request form in coordination with the planned event. The cost of transportation will then be invoiced to the school-connected organization by the District's Fiscal Services Department. School-connected organizations are not allowed to directly pay the transportation department or engage external transportation services on their own.

This framework ensures that donations and their utilization align with district policies, maintaining transparency and accountability in the support of school activities.

Purchases for the School-Connected Organization

Purchases made by the school-connected organization are funded directly from the club's finances, covering both operational needs and fundraising activities. This includes acquiring supplies or equipment essential for the school-connected organization's daily functions and for organizing fundraisers. For instance, if the school-connected organization operates a concession stand at an event, the necessary items for sale are bought using school-connected organization funds.

School-connected organizations do not have access to the special or discounted rates that may be available to the District, nor are they permitted to leverage District contracts for their purchases. However, school-connected organizations have the autonomy to seek their own deals or establish contracts with vendors based on their preferences.

Furthermore, neither the Associated Student Body (ASB) nor the District has the authority to procure goods or services on behalf of a school-connected organization, including those required for fundraising events. Such transactions, even if funded by the school-connected organization, are considered a commingling of funds and are strictly forbidden to maintain clear financial boundaries and accountability.

OPERATING PROCEDURES (continued)

Hiring Request and Payment of Salaries

School-connected organizations that wish to employ district employees for assistance with school sports or activities must first obtain approval from the principal of the relevant site. Individuals performing services for the District under this process shall be employed by the District, not by the school-connected organization. The school-connected organization provides funding for the position but is not the employer and shall not supervise, direct, or control the employee's work beyond providing input regarding the services requested. This practice is permissible with the principal's prior consent.

School-connected organizations shall not independently employ, contract with, or compensate District employees for services related to District programs except through District-approved payroll procedures.

Hiring Process for Individuals That Are Not District Employees

If a school-connected organization decides to compensate individuals for their services, the following steps must be followed. School-connected organizations shall not promise employment or compensation before District approval has been obtained.

1. **Initial Approval:** The school-connected organization is required to secure authorization from the site's principal for the specific role they intend to fill and provide the following information to the principal:
    - Position Title
    - Hours of Work
    - Dates of Work
    - Pay Rate
2. **Employment Clearance Initiation:** Following the principal's approval, the school will reach out to the District Human Resources Department to commence the employment clearance procedure along with the following information:
    - Position Title
    - Hours of Work
    - Dates of Work
    - Pay Rate
3. **Clearance Process:** The Human Resources Department undertakes the clearance process and will inform the school upon its completion. Required background clearances, fingerprinting, tuberculosis clearance, and any other District-required employment or volunteer clearances must be completed before work begins.
4. **Final Authorization:** The site principal will grant the final approval for the individual to commence their duties after paperwork is completed and approved by Human Resources.

Volunteers That Work for the District

District employees may volunteer only when the service is genuinely voluntary, is performed without coercion or expectation of compensation, does not involve the same services the employee is employed by the District to perform unless approved by Human Resources, occurs outside compensated work time, and complies with applicable wage-and-hour requirements, collective bargaining agreements, and District procedures. Volunteers may not replace positions that should properly be compensated under applicable wage-and-hour laws.

OPERATING PROCEDURES (continued)

Payment of Salaries & Billing Procedures

To ensure compliance with tax regulations and district policies, the procedure for processing salary payments through the District's Business Services Department is outlined below. This process is designed to guarantee accuracy in payments and adherence to IRS taxation requirements:

1. **Initiation of Payment Process:** The Business Services Department will begin the salary payment procedure following:
    a. Receipt of an Approved Request for Personnel (RAP) Sheet: Documentation confirming that the request for personnel has been officially approved for both internal and external individuals. Retroactive RAPs will not be approved except under extraordinary circumstances approved by Human Resources.
    b. Completion of Services: The contracted services must be fully rendered before initiating payment.
    c. No payment for services will be made without an approved RAP sheet prior to work being performed.
2. **Invoicing and Tax Compliance:** The District will issue an invoice to the school-connected organization or PTA for the total salary payment, inclusive of any associated fixed costs. This step is crucial for ensuring that all financial transactions are transparent and accurately recorded. Importantly, all payments must be processed through District payroll to comply with IRS taxation requirements. This is to ensure that all tax implications are properly managed in accordance with federal law.
3. **Payment Processing:** The District will invoice the school-connected organization for all salary and associated benefit costs for which the school-connected organization should pay within 30 days. This final step completes the financial transaction loop, ensuring that the salaries are paid through the District payroll system to meet IRS requirements.

School-connected organizations may be required to prepay estimated salary and benefit costs or otherwise reimburse the District within the time established by Business Services.

Independent Contractors

School-connected organizations may engage independent contractors only after obtaining approval from the District Business Office and/or Human Resources to confirm that the individual is appropriately classified as an independent contractor rather than a District employee. No services may begin until all required District approvals have been obtained.

Independent contractors who will work on District property or have direct contact with students must satisfy all applicable District requirements, including Live Scan fingerprint clearance, before providing services. Before payment is issued:

- A completed IRS Form W-9 must be obtained and retained.
- A written contract signed by both the school-connected organization and the contractor must be executed. At a minimum, the contract should identify the scope of services, compensation, insurance requirements, indemnification provisions, and termination terms.
- The school-connected organization is responsible for complying with all applicable IRS Form 1099 reporting requirements.

OPERATING PROCEDURES (continued)

Supervision Requirements

School-connected organizations may not independently determine supervision standards.

- All activities involving students must comply with District volunteer, fingerprinting, background-check and supervision requirements.
- No volunteer or contractor may be left alone with students unless cleared and authorized under District procedures.
- Approval of an organization or fundraiser does not itself authorize an individual to supervise students.
- The principal determines required District staffing or supervision for events.

Finally, it is advisable for the school-connected organization to verify that the independent contractor has obtained adequate insurance coverage.

1099 Reporting Requirements

According to Internal Revenue Service (IRS) regulations, any payments exceeding $600 for services rendered by a vendor or individual within a single calendar year must be reported using Form 1099. It is essential for the school-connected organization to collect an IRS Form W-9 from each provider at the time of service. This procedure ensures the club maintains accurate records, including the taxpayer identification number, which is crucial for compliance with IRS reporting requirements.

Furthermore, the organization is obligated to issue Form 1099 to every vendor qualifying under these criteria for services delivered during the calendar year, no later than January 31 of the following year. It's imperative to understand that the $600 threshold represents the total amount paid to the vendor over the course of the calendar year, rather than per individual transaction. This accumulation-based threshold highlights the importance of diligent record-keeping by the organization to accurately report all relevant payments to the IRS.

Use of School Facilities

All on-campus activities organized by the school-connected organization, including meetings, event schedules, locations, dates, and fundraising events, must receive prior approval from the site Principal. It's essential that these activities do not disrupt the school's regular schedule, interfere with ongoing school functions, or contravene District policies. Priority is always given to the school's own activities and events.

School connected organizations wishing to use District facilities must book through must complete a Facility Use Application on the school district website. Please be aware that school-connected organizations are responsible for any fees associated with facility usage and must provide proof of insurance for events requiring access to school facilities. Adherence to these procedures ensures a harmonious and supportive relationship between school-connected organizations and school administration, facilitating successful and impactful events that enrich the student experience.

OPERATING PROCEDURES (continued)

Relationship and Interaction with District Personnel

School-connected organizations should maintain a supportive role and avoid influencing the decisions of sponsors, school site Principals, or other district administrators on matters that are within the exclusive jurisdiction of District personnel. This includes, but is not limited to, decisions related to trips, staffing, scheduling, management of coaches or advisors, personnel issues, organization of competitions, participation rules, and policy development for student groups or extracurricular activities.

It is imperative that school-connected organizations respect the authority and expertise of school and District administrators in these areas. The primary function of school-connected organizations is to support and enhance the extracurricular experience for students, without interfering in the administrative responsibilities and decision-making processes of the school or District. Collaborative efforts should be guided by mutual respect for the roles and responsibilities of all parties involved.

Loans and Advances to the District, ASB, Clubs or School Programs

The District prohibits school-connected organizations from lending money to:

- The District
- A school
- The ASB
- An ASB club
- A school program

Loans create debt obligations, may bind future students, and can blur the legal separation between organizations. Support shall be provided through properly approved donations rather than loans or temporary advances.

Student Awards, Scholarships and Direct Benefits to Individuals

Certain forms of recognition, such as awards to students, can be appropriate, but individual student benefits must not be discriminatory or tied to membership, donations, volunteer hours, or individual fundraising. The following are prohibited:

- Organization funds may not be maintained as individual student accounts.
- Benefits cannot vary according to how much a family donated or raised.
- Awards and scholarships must use objective, written, nondiscriminatory criteria.
- District approval is required before presenting awards through a school program or on campus.
- Cash, gift cards or direct benefits to students require advance review by the District.
- Restricted donations may not be earmarked for a named student merely by routing them through the organization.

Behavioral Standards

School-connected organization members, when acting in roles such as chaperones, sponsors, or attendees at student activities, are held to the same behavioral standards as District employees, ensuring a safe and respectful environment for all participants.

OPERATING PROCEDURES (continued)

Communications

Communications intended for parents and/or the community distributed by school-connected organizations must align with District standards and follow these best practices:

- **Obtain approval**: Submit pre-approved scheduled messages to designated site staff for review prior to distribution, including weekly newsletters, flyers and announcements. Communications should be sent through the site's official communications account.
- **Promote approved events only:** Limit promotion to sanctioned SUSD events, including those hosted by schools, educational partners, Parent Teacher Associations, School Connected Organizations and the City of Saratoga.
- **Allow ample review time**: Provide site staff with a realistic timeline to review and approve messages before the intended release date.

Following this process ensures consistency and alignment with all District policies and messaging.

Prohibition on Political Activities

Moreover, it is imperative for school-connected organizations to refrain from engaging in or supporting political activities directly. This includes avoiding campaign contributions or endorsements of specific political candidates through advertisements. Such actions could risk the organization's tax-exempt status by violating regulations that govern nonprofit activities.

A Section 501(c)(3) organization may not participate or intervene in a campaign for or against a candidate for public office. Limited lobbying concerning legislation may be permissible under federal tax law, but any such activity must be approved by the organization's governing board, remain within applicable limits, and may not use District resources, communication systems, facilities, names, or logos without District authorization.

FINANCIAL PROCEDURES

Budgets and Budget Management

At the onset of each fiscal year, it is crucial to formulate a budget that forecasts the expected revenues and expenses. This financial plan serves as a roadmap for achieving the annual objectives by addressing several key components:

- **Estimated Revenues:** Identification of potential income sources, including planned fundraisers.
- **Estimated Expenses:** Estimation of the costs associated with executing these fundraisers.
- **Estimated Ending Reserves and Carryover:** Assessment of the residual funds to ensure they suffice for accomplishing the outlined objectives.

The process of budget creation should be dynamic, with revisions made as necessary to reflect changing circumstances or insights gained over the year. Typically, budgets are crafted for a one-year span, aligning with the organization's fiscal period and strategic goals.

Equally important is the practice of budget monitoring, which involves a regular comparison of the budgeted figures against actual financial performance. This comparison should occur at least on a monthly basis, providing a timely perspective on whether revenues are aligning with expectations and whether expenses are being managed within the set boundaries. Through this ongoing evaluation, organizations can identify variances early and implement corrective actions promptly.

FINANCIAL PROCEDURES (continued)

Budgets and Budget Management (continued)

Should the actual financial performance deviate significantly from the budget, due to either lower-than-anticipated revenues or higher-than-anticipated expenses, it becomes imperative for school-connected organizations to reassess and amend their budget. This proactive approach ensures financial stability and supports the continuous pursuit of the organization's goals.

Financial Reporting to the Membership

The organization should ensure transparency and accountability to its members by presenting a financial statement and bank reconciliation on a monthly basis. This financial statement ought to include a detailed comparison of the budgeted versus actual expenditures and income, offering insights into the organization's fiscal health and operational efficiency. Additionally, reports detailing cash receipts and disbursements should be readily accessible for member review as required, and specifically during the annual financial review. This practice not only fosters a culture of openness but also encourages informed participation of the membership in financial discussions and decisions.

Financial Reporting to the District

School-connected organizations are obligated to provide comprehensive end-of-year financial statements to several key stakeholders: the members of the school-connected organization, the Principal of the associated school site, and the Business Services Department of the school district. This includes a balance sheet, profit and loss statements and a copy of the **Annual Financial Review** or an independent audit of the organization. This reporting ensures transparency and accountability, allowing all involved parties to review the club's financial activities and its support of school programs over the fiscal year.

Retention of Records

Given the frequent changes in leadership and membership within voluntary organizations, it is crucial to maintain clear documentation of the organization's activities. Establishing a standardized procedure for document retention ensures continuity and accountability. The following documents are essential for the organization to retain for a minimum period of four years:

- **Cash Receipts:** Records of all incoming funds.
- **Cash Disbursements and General Ledger:** Detailed accounts of all expenditures alongside a comprehensive record of all financial transactions.
- **Bank Records:** Bank statements, canceled checks, and related banking documents.
- **Minutes of Meetings:** Official records of the proceedings and decisions made during meetings, as stipulated by the organization's bylaws.

Permanent records - The following records must be retained permanently:

- Articles of incorporation and amendments.
- Bylaws and amendments.
- Board and membership minutes.
- Tax-exemption determination letters.
- Employer Identification Number documentation.
- Major contracts and property records.
- Annual tax returns and Attorney General filings, preferably permanently (not required by statute).
- Dissolution records.

FINANCIAL PROCEDURES (continued)

Retention of Records (continued)

Records relating to pending litigation, an audit, an investigation, a tax examination, or a reported irregularity shall not be destroyed until the matter is fully resolved, even if the normal retention period has expired. Adhering to this retention policy not only facilitates effective management but also ensures the organization can meet legal and financial obligations.

Importance of Internal Controls

Internal controls are foundational to responsible financial management, comprising a broad set of policies and procedures aimed at achieving several critical goals:

- **Improving Operational Efficiency and Effectiveness:** Streamlining processes to enhance performance.
- **Protecting the Organization's Assets:** Implementing measures to safeguard physical and financial assets from loss or theft.
- **Enhancing Fundraising Success:** Ensuring transparency and accountability in fundraising activities to build trust and support.
- **Preventing Misuse of Funds:** Establishing checks and balances to deter unauthorized spending.
- **Avoiding Unauthorized Commitments:** Putting in place procedures to ensure all obligations are properly authorized.
- **Providing Reliable Financial Reporting:** Ensuring financial information is accurate and trustworthy.
- **Reducing Fraud and Abuse Risks:** Minimizing vulnerabilities to fraudulent activities and abuse.
- **Protecting Members and Volunteers:** Safeguarding the interests and welfare of those involved in the organization.
- **Complying with Laws and Regulations:** Ensuring all activities adhere to applicable legal standards.
- **Maintaining Accurate Inventory Records:** Keeping precise and up-to-date records of all inventory.

Implementing and adhering to effective internal controls is paramount not just for safeguarding assets but also for protecting individuals within the organization. For example, well-defined controls around fundraising significantly reduce the risk of misconduct allegations. Effective internal controls distribute responsibilities among members according to their roles to prevent any single person from controlling a transaction entirely. This separation of duties, a key element of a thorough checks and balances system, includes:

- **Initiating, Authorizing, or Approving Transactions:** Deciding on the necessity and terms of transactions.
- **Executing Transactions:** Carrying out the transactions in accordance with approvals.
- **Recording Transactions:** Accurately documenting the details of transactions.
- **Reconciling Transactions:** Verifying the accuracy of transactions and related records.

This division of responsibilities helps to avoid conflicts of interest and fosters transparency, underlining the organization's dedication to ethical practices and financial integrity.

Collaborative Culture and Conflict Resolution

Teamwork and Collaboration Policy

Members of SUSD and the school-connected organization are expected to maintain a **professional, respectful, and collaborative environment** at all times. Because our primary mission is to support the students, staff, and school community, all parties shall endeavor to:

- **Prioritize the Mission:** Keep the collective goals of the organization and the well-being of the students at the center of all discussions**.**
- **Practice Active Listening:** Value diverse perspectives, respect differing viewpoints, and assume positive intent from fellow members.
- **Engage Construction:** Debates should focus on ideas, projects, and processes—never on personal attributes or individuals.
- **Support Group Decisions:** Once the executive board or general membership reaches a democratic decision or vote, all members agree to support the implementation of that decision constructively.

Conflict Resolution Process

Healthy disagreements can lead to better outcomes, but unresolved or disruptive conflicts harm the organization's morale and effectiveness. When interpersonal or operational conflicts arise, members must follow this structured resolution process:

1. **Direct Communication (Step 1):** Parties involved in a disagreement should first attempt to resolve the issue privately and respectfully through direct, calm conversation.
2. **Executive Board Mediation (Step 2):** If a direct resolution cannot be reached, or if the conflict disrupts organization business, the issue should be brought to the attention of the Organization President (or Vice President, if the President is involved). The President or a designated neutral board member will facilitate a private mediation meeting to find a mutually agreeable solution.
3. **School Administration Consultation (Step 3):** If the conflict remains unresolved and directly impacts the school environment, operations, or reputation, the Executive Board will consult with the School Principal or designated school administrator for final guidance or intervention.
4. **Resolution Agreement:** All parties involved in a mediated conflict are expected to abide by the agreed-upon resolution. Failure to follow the resolution or continued disruptive behavior may result in a review of the member's standing or removal from committee assignments by a majority vote of the Executive Board.

FREQUENTLY ASKED QUESTIONS & ANSWERS

Purpose of a School-Connected Organization

What is the purpose of a school-connected organization?
A school-connected organization is a parent- or community-based nonprofit organization that partners with the District to support students, schools, and educational programs through volunteer service, fundraising, and community engagement. Although school-connected organizations are separate legal and financial entities with their own governing boards and tax identification numbers, they operate in coordination with the District and must comply with applicable District policies and procedures when supporting District programs, students, and schools.

How does a school-connected organization differ from ASB?
Yes. School-connected organizations and the ASB should work collaboratively while recognizing that they are separate organizations with different legal responsibilities. To promote transparency, accountability, and effective support of students, school-connected organizations should:

- Maintain regular communication with the Principal, ASB advisor, and student leadership regarding fundraising activities, purchases, and planned events.
- Coordinate fundraising calendars to avoid competing or conflicting fundraising efforts.
- Clearly determine whether a fundraising activity or expenditure is most appropriately conducted by the ASB or the school-connected organization before proceeds are collected or spent.
- Respect the separate financial responsibilities of each organization by maintaining separate bank accounts, accounting records, and approval processes. Funds should not be commingled or transferred without appropriate authorization and documentation.
- Ensure all activities involving students, District facilities, or the District's name are approved in accordance with District policies and procedures.
- Support student leadership by allowing students, through the ASB, to make decisions regarding student body funds, while the school-connected organization provides financial and volunteer support consistent with its mission.

School-connected organizations should supplement, not supplant, the ASB. Student-generated funds should remain under the control of the ASB, while school-connected organizations provide additional financial and volunteer support that enhances educational programs and student activities.

Are there any recommended practices for parent groups working with ASB?
Parent groups are encouraged to maintain open lines of communication with the ASB and school Principal. This ensures that fundraising efforts and other activities are aligned with school policies and contribute positively to the school community. Understanding the operational boundaries and tax obligations of independent groups versus those working within the ASB framework is also crucial.

FREQUENTLY ASKED QUESTIONS & ANSWERS (continued)

Formation of a School-Connected Organization

Where should the completed school-connected organization application be submitted?
School-connected organization applications must be submitted to both the school Principal and the Business Services Department for consideration.

Is contact information required only for the executive officer positions listed on the Booster Application?
Yes, providing contact information is necessary only for the executive officer positions explicitly mentioned in the application.

Who is responsible for approving the school-connected organization?
The school principal and the District's Business Services Department jointly review and approve school-connected organization applications.

What is the application deadline for establishing a school-connected organization?
Approval should be obtained prior to the commencement of any school-connected organization activities. For activities planned over the summer, secure approval before the current school year concludes.

Where can school-connected organization applications for the new school year be obtained?
Applications are available by request to the District Business Services Department.

Does every student school club require a school-connected organization, such as a Chess Club or Red Cross Club?

No. Most Associated Student Body (ASB) clubs operate successfully without a school-connected organization. Student clubs are established, governed, and funded through the ASB in accordance with District policies and procedures.

A school-connected organization may be formed when parents or community members wish to provide ongoing financial support, fundraising, volunteer assistance, or other resources beyond what is typically managed through the ASB. Many clubs operate solely through the ASB, while others benefit from the additional support of a booster club, parent organization, or foundation.

The decision to establish a school-connected organization should be based on the level of parent or community involvement needed to support the club's activities and should be approved in accordance with District policies.

Can school-connected organizations use the school's logo?
No, as separate entities, school-connected organizations must use their own unique logos.

FREQUENTLY ASKED QUESTIONS & ANSWERS (continued)

Formation of a School-Connected Organization (continued)

How should a school-connected organization maintain its distinction from the school?
School-connected organizations are separate legal and financial entities and should maintain a clear distinction from the District and the Associated Student Body (ASB). To preserve this distinction, each organization should:

- Obtain and use its own federal tax identification number (EIN).
- Maintain its own bank accounts, financial records, and accounting system.
- Obtain appropriate insurance coverage.
- Adopt its own bylaws and elect its own officers and board of directors.
- Use its own letterhead, logo, website, email address, and other communications that clearly identify the organization as independent of the District.
- Avoid representing itself as a department, program, or official representative of the District or ASB.
- Conduct its own meetings, approve its own budgets and expenditures, and maintain its own meeting minutes and corporate records.

If obtaining 501(c)(3) status takes several months, can a school-connected organization operate in the meantime?

Yes. A school-connected organization may generally begin operating after it has been properly organized, recognized by the District, and has satisfied applicable District requirements. However, until the IRS recognizes the organization as tax-exempt under Section 501(c)(3), it should not represent that contributions are tax-deductible unless permitted under applicable IRS rules.

Organizations are responsible for complying with all applicable federal and state tax laws. The District does not provide legal or tax advice regarding nonprofit or tax-exempt status. Organizations should consult the IRS, the California Franchise Tax Board, and qualified legal or tax professionals regarding the requirements for obtaining and maintaining tax-exempt status.

Parent groups that have not established a separate legal entity and tax identification number may support school activities through the ASB or another District-approved school-connected organization until they complete the organizational process.

Does a school-connected organization need its own seller's permit?
Yes. Because school-connected organizations are separate legal entities, each organization is responsible for obtaining any required seller's permit or other tax registrations in its own name. Organizations may not use the District's, ASB's, or another organization's seller's permit. For information on seller's permits and registration requirements, visit the California Department of Tax and Fee Administration (CDTFA) website or consult a qualified tax professional.

Can the insurance list the school as “additional insured” instead of the specific District?
No, the insurance certificate must list the specific district, such as Saratoga Union School District, as the additional insured.

FREQUENTLY ASKED QUESTIONS & ANSWERS (continued)

Operating Procedures

Can a school-connected organization deposit to ASB be allocated for a particular expense?
Donations made to ASB can be directed to a specific club or even a specific purpose. It cannot be directed to a specific student. The purpose of the donation needs to be a legal ASB expenditure and approved by the ASB student council.

Can the school-connected organization contribute to upgrading school equipment?
Yes, school-connected organization donations for upgrades like wrestling mats require approval from the District's Business Services Department and the school principal. The equipment and controls of its use become the property of the district.

Must all purchases be reported as donations for the District's Board of Education approval (supplies/equipment, transportation)? Must all cash be reported as donations?
Yes, and yes. The District would like to acknowledge all donations made in support of their students. When donations include supplies & equipment, it is best to make sure all parties agree and can use those items to be donated. Equipment donations should be approved by the District to make sure ongoing maintenance concerns have been addressed before the purchase.

How do donations get acknowledged?
The Donation Form should be completed when making the donation and can be obtained from the school site office. The School Board will acknowledge donations annually.

If a District employee is working outside their regular work hours, why must the school-connected organization reimburse the District for benefits? May employees volunteer their time?

District employees who are compensated for services supporting a District program must be paid through the District's payroll system, regardless of whether the work is performed during or outside their regular work schedule. In addition to wages, the school-connected organization is responsible for reimbursing the District for applicable employer costs, such as payroll taxes, retirement contributions, workers' compensation, employee benefits, and other approved employment costs.

District employees may volunteer only when the service is truly voluntary, is performed without expectation of compensation, does not replace work that should be paid, and complies with applicable District policies, collective bargaining agreements, and wage-and-hour requirements. Questions regarding volunteer service or employee compensation should be directed to Human Resources before services are performed.

What statutory costs are added to salary payments?
Fixed costs may include FICA, Medicare, State Unemployment Insurance, Workers' Compensation, STRS, PERS, as applicable.

FREQUENTLY ASKED QUESTIONS & ANSWERS (continued)

Operating Procedures (continued)

Do District payment procedures for coaches, including walk-on coaches, apply to summer leagues?
Yes. District employment and payroll procedures apply year-round, including summer programs, camps, clinics, and leagues conducted in connection with District athletic or extracurricular programs.

School-connected organizations may not directly hire or compensate coaches, walk-on coaches, assistant coaches, or other individuals performing services for District programs. All coaching positions must be approved by the District, satisfy applicable hiring and clearance requirements, and be compensated through the District's payroll system. School-connected organizations are responsible for reimbursing the District for approved salary and associated employment costs in accordance with District procedures.

Individuals serving in volunteer coaching roles must be approved by the District before providing services and must satisfy all applicable volunteer and clearance requirements. Questions regarding the employment or volunteer status of coaches should be directed to Human Resources before services begin.

Can a booster club pay a coach directly or supplement a coach's salary?
No. School-connected organizations may not pay coaches, advisors, or other District personnel directly for services related to District programs. Any approved compensation must be processed through the District's payroll system in accordance with District policies and procedures.

Are vendors considered district employees?
No, vendors are independent entities providing goods or services. The classification between vendors and employees is guided by IRS regulations.

Who issues 1099s when the District pays a consultant for school-connected organization activities?
If the District makes the payment, it is responsible for issuing the 1099 form. In this scenario, the consultant is not considered a school-connected organization consultant.

Can the head coach arrange facility requests for the school-connected organization?
School connected organizations must submit their own facility use requests and a school-connected organization Officer must enter the request through the Facility Use Application process. No other individual will be allowed to enter a request to rent a District facility under the school-connected organization’s name. An employee of the District shall not enter a facility use request on behalf of the school-connected organization.

FREQUENTLY ASKED QUESTIONS & ANSWERS (continued)

Fundraising

Who gets priority: School Site, District fundraising, or school-connected organization?
School site/District fundraisers take precedence. To avoid scheduling conflicts, school-connected organizations should submit their annual fundraising calendar for coordination.

Can school-connected organization fundraisers take place on school campus after school hours?
Yes, but all such fundraisers require the school principal's approval. Fundraising by external organizations on school premises is permitted only one hour after school dismissal.

Is district approval needed for off-campus fundraisers?
Yes, approval is required regardless of the location of the fundraiser when there is representation; the funds or property will be used to benefit the school district (in whole or in part), consistent with Education Code:

> Education Code Section 51521 - No person shall solicit any other person to contribute to any fund or to purchase any item of personal property, upon the representation that the money received is to be used wholly or in part for the benefit of any public school or the student body of any public school, unless such person obtains the prior written approval of either the governing board of the school district in which such solicitation is to be made or the governing board of the school district having jurisdiction over the school or student body represented to be benefited by such solicitation, or the designee of either of such boards.

The approved fundraisers must also be included in the organization's annual fundraising calendar or separately submitted for approval.

Can students participate in booster fundraisers?
Students may volunteer for school-connected organization fundraisers, provided it is clear they are supporting the school-connected organization and that participation is not mandatory. Activities and fundraisers in which students are the primary participants generally should be conducted through the ASB, not through a parent organization. Here are the guidelines to follow:

- School-connected organization fundraisers should generally be adult-directed and adult-operated.
- A fundraiser primarily planned, conducted or staffed by students may be an ASB fundraiser.
- Student performances with admission or gate receipts ordinarily should be conducted through the school or ASB.
- Student participation must be voluntary.
- Students cannot receive individual credit or benefits based on the amount they or their families raise.
- Joint ASB/booster fundraisers require a written plan establishing responsibilities, collection procedures and allocation of proceeds before the fundraiser occurs.

Participation is subject to legal age requirements for certain activities (e.g., raffles, casino nights).

FREQUENTLY ASKED QUESTIONS & ANSWERS (continued)

Fundraising (continued)

Are there restrictions on when fundraising can occur?
Solicitation of students on school premises during school hours and during the one-hour periods immediately before school opens and after school closes is restricted by Education Code section 51520 and may occur only when legally permissible and specifically approved by the District. Other approved events may occur during those time periods when they do not involve prohibited solicitation and comply with District requirements.

Do proceeds from a school-connected organization fundraiser need to be deposited into the organization's bank account first?
Yes. Funds raised through a school-connected organization's fundraising activities belong to the school-connected organization and should first be deposited into the organization's bank account. The organization should account for the proceeds in its financial records and approve any subsequent donation or purchase in accordance with its bylaws and financial procedures.

If the organization wishes to support the school or the ASB, it should do so through an approved donation or by purchasing approved goods or services, consistent with District policies. Funds should not be deposited directly into a school or ASB account unless the fundraiser was conducted on behalf of the school or ASB.

Should fundraising events held off District property be reported?
Yes, all fundraising events, regardless of their location and including online fundraisers, must be reported to the school and included in the annual list submitted to the Business Services Department and school principal.

Do events like baseball clinics need fundraiser approval and facilities use permits?
All fundraising events require inclusion in the school-connected organization’s listed activities submitted to the school, and a facilities use permit is required for events using District facilities.

Can parents inquire about pledges or donations per student?
Tracking individual student donations is not permitted. Donations are voluntary and not required from students.

Can students sell bingo or raffle tickets?
No, it is illegal for minors to sell tickets for gambling or games of chance. Fundraising activities, especially those involving raffles or bingo, should be adult-led.

Does a 50/50 raffle comply with fundraising laws?
No, such raffles violate the law requiring at least 90% of raffle ticket sale proceeds to benefit charitable purposes. Good cash handling practices must also be followed.

FREQUENTLY ASKED QUESTIONS & ANSWERS (continued)

Fundraising (continued)

Are raffles of donated items permitted?
Raffles may be conducted only if they comply with all applicable California laws and District policies. School-connected organizations are responsible for determining their eligibility and obtaining any required registrations or approvals before conducting a raffle. The District does not provide legal advice regarding raffle requirements. Organizations should consult the California Attorney General's Registry of Charities and Fundraisers and other applicable state resources before conducting a raffle.

Can school-connected organizations charge a fee for students who choose not to participate in fundraising?
No. Participation in fundraising activities must be voluntary. Students may not be required to participate in fundraising or be charged a fee or assessed a payment in lieu of fundraising. School-connected organizations may encourage voluntary fundraising and accept voluntary donations, but participation in school programs or activities may not be conditioned on fundraising or payment of an alternative fee.

How should school-connected organizations handle funds when fundraising with ASB?
ASB and school-connected organization funds must remain separate. While joint fundraising efforts are possible, financial contributions must be handled and deposited appropriately into their respective accounts.

What types of fees can school-connected organizations request from students?
School-connected organizations may request voluntary donations and may charge for optional goods or services, such as spirit wear, meals, or tickets to optional events. However, they may not require students or parents to pay fees, purchase materials, participate in fundraising, or make donations as a condition of participating in a District educational program or activity.
If there is uncertainty regarding whether a fee, donation request, or fundraising activity is permissible, the school-connected organization should consult the Principal or District administration before collecting funds.

Fraud, Financial Misconduct and Significant Irregularities Reporting

If fraud, financial misconduct, or other significant irregularities are suspected, what is the notification requirement for the school-connected organization to the school district?
If anyone associated with the school-connected organization becomes aware of credible information suggesting possible fraud, theft, embezzlement, financial misconduct, or other significant irregularities involving organization funds or assets, an officer of the organization shall promptly notify the Superintendent or designee. The organization should preserve all relevant financial records and other evidence and should refrain from destroying or altering records.

After consultation with the District, the organization's legal counsel, insurance carrier, and, when appropriate, law enforcement, the organization should cooperate with any investigation deemed appropriate. Nothing in this policy requires the organization to conduct its own investigation before notifying the District.

Prompt notification enables the District to assess whether student activities, District property, District employees, District programs, or District funds may be affected and to determine whether additional protective measures are appropriate.

FREQUENTLY ASKED QUESTIONS & ANSWERS (continued)

Relationship to the District and Limitation of Responsibility

School-connected organizations are independent legal and financial entities established to support District schools, students, and educational programs through fundraising, volunteer service, and community involvement. While these organizations work in partnership with the District, they are governed by their own boards of directors, maintain their own finances, and are responsible for complying with applicable federal and state laws, as well as District policies and procedures.

The District recognizes school-connected organizations and establishes requirements governing activities involving District schools, students, employees, facilities, fundraising, and the use of the District's name, logos, and other identifying marks. However, the District does not manage or control the day-to-day governance, financial affairs, contractual obligations, or business operations of school-connected organizations. Each organization is solely responsible for its own actions, financial commitments, contracts, and liabilities.

As a condition of District recognition, school-connected organizations may be required to submit annual financial reports, maintain appropriate insurance, comply with District policies, and participate in periodic reviews or audits. These oversight activities are intended to promote accountability, transparency, and the protection of District interests and do not create responsibility for the organization's operations or financial obligations.

School-connected organizations must clearly represent themselves as independent organizations in their communications and activities and shall not imply that they are departments of, or acting on behalf of, the District or the Associated Student Body (ASB) unless specifically authorized by the District.
As part of the annual recognition process, each school-connected organization shall execute a District-approved hold harmless and indemnification agreement and maintain any insurance coverage required by the District.

Legal Notice

This manual is intended to provide general guidance regarding District policies and procedures applicable to school-connected organizations. It is provided for informational purposes only and does not constitute legal, tax, accounting, or other professional advice. School-connected organizations are responsible for complying with all applicable federal, state, and local laws and should consult qualified legal, tax, insurance, or other professional advisors as appropriate.

References to websites, statutes, regulations, and other external resources are provided as a convenience. Because these resources may change over time, the District does not guarantee their continued availability or accuracy.

Recognition by the District is a privilege, not a right. The District reserves the right to deny, suspend, or revoke recognition of any school-connected organization that fails to comply with applicable laws, District policies, or the requirements of this manual. Suspension or revocation of recognition may include the loss of permission to conduct fundraising activities, use District facilities, or represent itself as a District-recognized school-connected organization.

Attachment "Board Policy 1230: School-Connected Organizations"

Board Policy Manual
Saratoga Union School District

Policy 1230: School-Connected Organizations **Status:** ADOPTED

Original Adopted Date: 11/28/2006 | **Last Revised Date:** 10/19/2023 | **Last Reviewed Date:** 10/19/2023

The Governing Board recognizes that parents/guardians and community members may wish to organize parent organizations and/or booster clubs for the purpose of supporting the district's educational and extracurricular programs. The Board appreciates the contributions made by such organizations toward the Board's vision for student learning and for providing all district students with high-quality educational opportunities.
Persons proposing to establish a school-connected organization shall submit a request to the Board for authorization to operate within the district or at a district school.

A school-connected organization, including a booster club, parent-teacher association or organization, or other organization that does not include an associated student body or other student organization, shall be established and maintained as a separate entity from the school or district. Each school-connected organization shall be subject to its own bylaws and operational procedures or to the rules or bylaws of its affiliated state or national organization, as applicable.

In addition, activities by school-connected organizations shall be conducted in accordance with law, Board policies, administrative regulations, and any rules of the sponsoring school.

The Superintendent or designee shall establish appropriate rules for the relationship between school-connected organizations and the district.

A school-connected organization shall obtain the written approval of the Superintendent or designee prior to soliciting funds upon the representation that the funds will be used wholly or in part for the benefit of a district school or the students at that school. (Education Code 51521)

A school-connected organization may consult with the principal to determine school needs and priorities.

Any participation in fundraising activities by students and their parents/guardians and/or any donation of funds or property shall be voluntary. (Education Code 49011)

Attachment "Administrative Regulations 1230: School-Connected Organizations"

Board Policy Manual
Saratoga Union School District

Regulation 1230: School-Connected Organizations **Status:** ADOPTED

Original Adopted Date: 11/28/2006 | **Last Revised Date:** 10/19/2023 | **Last Reviewed Date:** 10/19/2023

A school-connected organization's request for authorization to operate within the district or at a district school shall contain, as appropriate:

1. The name and purpose of the organization
2. The date of application
3. Bylaws, rules, and procedures under which the organization will operate, including procedures for maintaining the organization's finances, membership qualifications, if any, and an agreement that the group will not engage in unlawful discrimination
4. The names, addresses, and phone numbers of all officers
5. A list of specific objectives
6. An agreement to grant the district the right to audit the group's financial records, either by district personnel or a certified public accountant, whenever any concern is raised regarding the use of the funds
7. The name of the bank where the organization's account will be located and the names of those authorized to withdraw funds
8. The signature of the principal of the supporting school
9. Planned use for any money remaining at the end of the year if the organization is not continued or authorized to continue in the future
10. An agreement to provide evidence of liability and/or directors and officers insurance when and in the manner required by law

Requests for subsequent authorization shall be annually submitted to the Superintendent or designee, along with a financial statement showing all income and expenditures from fundraisers. If the Superintendent or designee proposes to deny the request for reauthorization, he/she shall present his/her recommendation to the Governing Board for approval.

When deemed necessary by the Board or the Superintendent or designee, the authorization for a school-connected organization to conduct activities in the district may be revoked at any time.

Each school-connected organization shall abide by the following rules:

1. The organization shall not act as an agent of the district or school.
2. The organization shall not use the district's tax-exempt status and identification number. It shall be responsible for its own tax status, accounting, internal controls, financial reporting, retention of records, and other operations.
3. The organization shall use a separate name and logo. Any use of a name or logo affiliated with the district, a district school, or a school team shall require the prior consent of the Superintendent or designee.
4. Funds of the school-connected organization shall not be co-mingled with district funds, including associated student body funds.
5. The organization shall not hire or directly pay any district employee. If a school-connected organization wishes to pay for additional and/or extracurricular services, the person to provide the services shall be hired through

the district's personnel department, provided the Board approves the position. At their discretion, employees may volunteer to perform activities for school-connected organizations during nonworking hours.

Attachment "School-Connected Organization Annual Application"

Saratoga Union School District
20___ - ___ School-Connected Organization Annual Application

☐ **New** ☐ **Renewal** ☐ **Change to Executive Board Officers**

I. GENERAL INFORMATION

Name of Organization | **School Site**

Mailing Address | **School-Connected Organization Web Address**

II. EXECUTIVE OFFICERS INFORMATION

Title	Officer Name	Mailing Address	Phone Number	Email Address	End of Term

III. PURPOSE (Describe the Purpose of the Organization)

IV. ANNUAL OBJECTIVES (List Specific Goals for the School Year)

V. FINANCIAL INFORMATION

Name of Banking Institution	**Authorized Bank Signer**
Bank Address	**Authorized Bank Signer**
Bank Address Continued	**Authorized Bank Signer**
Tax Identification Number (EIN)	**Authorized Bank Signer**

VI. LIST OF REQUIRED DOCUMENTS

- ☐ Articles of Incorporation Bylaws
- ☐ Proposed Fundraising Events Form
- ☐ Proof of Tax Identification Number
- ☐ 501 (c)(3) Federal Determination Letter
- ☐ Certificate of Insurance
- ☐ Additional Insured Endorsement
- ☐ Hold Harmless Agreement Form
- ☐ Manual and District Policies Acknowledgment Form

VI. APPROVAL

This certifies you have satisfied all sections of the Saratoga Union School District application process for the 2026-27 school year and are authorized to operate through the authorized period as stated below.

Authorized Period: From _____ To _____

School Site Principal Name	**Signature**	**Date**
Chief Business Officer Name	**Signature**	**Date**

Saratoga Union School District
20___ - ___ School-Connected Organization Annual Application

VII. DENIAL OF APPLICATION

The Saratoga Union School District hereby denies the application submitted.

School Site Principal Name	Signature	Date
Chief Business Officer Name	**Signature**	**Date**

Reason for Denial

Attachment "School-Connected Organization Manual and District Policies Acknowledgement"

Saratoga Union School District
20___ - ___ School-Connected Organization Manual
and District Policies Acknowledgment Form

As an officer of the school-connected organization within the Saratoga Union School District, I affirm that I have thoroughly reviewed the Saratoga Union School District School-Connected Organization Manual, Board Policy 1230, Administrative Regulation 1230 and that I attended one Booster Trainings held by the District. I am fully aware of the procedures and guidelines detailed in the School-Connected Organization Manual and Administrative Regulation and commit to following these directives.

I understand that the District has oversight responsibilities and authorization to require use of district procedures as a condition of approval of our school-connected organization to operate for the benefit of the district. Should any questions or uncertainties arise concerning policies, procedures, or any content within the manual or Administrative Regulation, I will promptly seek clarification or additional guidance from the school site administration.

I acknowledge that the information provided in the School-Connected Organization Manual and Administrative Regulation may not cover every specific situation or detail comprehensively. It is the duty of our school-connected organization to be well-informed about all relevant laws governing school-connected organization operations. Where needed, we will consult with qualified financial and tax professionals to ensure compliance with accounting and tax filing requirements. The District is not responsible for the management or operation of school-connected organizations.

As an officer and member of the executive board of the school-connected organization, it is my responsibility to ensure that our procedures and practices are financially and legally robust, adhering to all applicable rules, regulations, laws, ordinances, and statutes. I also recognize and accept my legal obligation to act with prudence and diligence in safeguarding the organization. This includes granting the Saratoga Union School District the authority to audit our financial records, whether through District personnel or a certified public accountant, should there be any concerns regarding financial management.

SIGNED AND ACKNOWLEDGED BY:

School-Connected Organization Name

Print Name | **Title**

Signature | **Date**

Attachment "School-Connected Organization Hold Harmless Agreement"

Saratoga Union School District
20___ - ___ School-Connected Organization Hold Harmless Agreement

The school-connected organization and its officers (collectively, the "Applicant"), in their capacity as operators, agree to indemnify, defend, and hold harmless the Saratoga Union School District ("District"), including its Board Members, officers, agents, teachers, staff, and any other employees, against any and all claims, demands, liabilities, losses, damages, or expenses of any nature whatsoever. This indemnity applies to any injury, harm, or damage involving any student, parent, or third party that arises from or is in any way related to the Applicant's activities, irrespective of location. Specifically, this indemnification covers:

1. Any death or bodily injury to any person, or loss of or damage to property, as well as any other loss, damage, or expense sustained by the Applicant or its representatives or participants. This includes any corporations or district employees, firms, or corporations employed by the Applicant, arising from the negligence or misconduct of the Applicant, its representatives, students, or participants, or in any way related to the Applicant's activities, regardless of the date, time, or location.
2. Any injury to or death of persons or damage to property, including any loss or theft sustained by persons, firms, or corporations participating in the Applicant's activity or conduct related to the Applicant's activity, or arising from any act of neglect, default, omission, negligence, or willful misconduct of the Applicant, its members, or any person, firm, or corporation employed by the Applicant, whether directly or by independent contract. This is applicable in connection with the activities covered by this agreement, both on and off District property, and during or outside of school hours.
3. The school-connected organizations shall, at their own expense, cost, and risk, defend any and all actions, suits, or other proceedings that may be brought or instituted against the District, its Board, officers, agents, or employees. They shall also pay or satisfy any claim, demand, liability, or judgment rendered against the District, its Board, officers, agents, or employees in any action, suit, or other proceeding arising out of the school connected organization's activities.

This agreement aims to provide comprehensive protection against potential liabilities arising from the school connected organization's operations, ensuring that both the District and the Applicant are aware of their responsibilities and the scope of indemnification provided.

SIGNED AND ACKNOWLEDGED BY:

_____
School-Connected Organization Name

_____ _____
Print Name **Title**

_____ _____
Signature **Date**

Saratoga Union School District
20___- ___ Proposed Fundraising Events

Name of Event	Brief Description of Event	Date of Event	Projected Revenue

School-Connected Organization Name		**School Site Name**	
	Organization President		School Principal
Print Name	**Title**	**Print Name**	**Title**
Signature	**Date**	**Signature**	**Date**