

***PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017***

Through parent and volunteer support, our students are afforded many wonderful opportunities to develop and showcase their talents in the context of quality programs. Our partnership with parent and non-profit organizations is an important part of our efforts for the students to achieve excellence in their education.

Parent groups, booster clubs and non-profit organizations are formed to contribute funds or assets to a club, sports team and other school organization needs. Parent groups are separate organizations from the District and are usually run by the parents of students in the organization being supported. For simplicity, this document will use the term “parent group” to refer to any of these types of organizations.

The main principle of funding per U.S. IRS 501(c) (3) code is to ensure the nonprofit parent group may not discriminate in making grants to students on the basis of their family’s membership in or funding to the club, or the family’s fund-raising or time put into club activities.

The Parkrose School District is in the process of finalizing a more comprehensive handbook called “**Financial Guidelines Handbook for Parent and Non-Profit Organizations**” that is intended to provide a more extensive guide to assist parent groups, booster clubs and non-profit organizations in complying with District policies and guidelines governing parent and non-profit organizations. This handbook outlines sound business practices in an effort to support our partners throughout the community.

PURPOSE OF PARENT GROUP

In general, parent groups provide financial support and/or direct assistance in some form to help achieve the common goals of booster and school programs. Parent groups have many purposes and are not limited to the following examples:

**PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017**

- Assisting others
 - Assisting a principal, faculty advisor, sports coach and other District staff in performing parts of activities
 - Assisting students through scholarships
 - Purchasing supplies or equipment for the school
 - Assisting with funds for field trip travel
- Specific activities connected to students, parents and adults
 - Sports programs
 - Field trips
 - Performing arts

PARENT GROUP STATUS

The relationship between student organizations and parent groups is *often confusing*. Student organizations are legally considered a part of the school entity. For this reason, they are included in the school entity's budget and annual audit donated funds or assets fall under the benefit of the District's tax-exempt status under the internal revenue code. Parent groups may raise funds and donate purchased items to the District with their funds but once the District takes ownership of the donation or purchased items they become the District's legal responsibility.

Parent group funds and District funds, including ASB (Associated Student Body) funds, must never be commingled. Parent groups and the school entity should remain separate, including in the following ways:

1. The parent group name, address or any other correspondence should never imply any form of responsibility on the part of the ASB or District.

**PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017**

2. The District's tax-exempt status and identification number are not for use by any non-school organizations or groups.
3. Parent groups are responsible for their own tax status, accounting and financial records. They should have their own tax identification number (TIN).
4. The parent group should also have a separate set of "By Laws" that is created and managed by the parent group. This document will assist in managing conflict and helping the group make decisions.

Associated Student Body (ASB) organizations operate under the school entity's tax-exempt status. The funds deposited in bank accounts are not subject to state or federal taxes. For this reason, the funds raised by parent groups, auxiliary organizations or parent groups should not be deposited into or commingled with the student organization's or the school entity's funds or bank accounts. They should be deposited into the parent group's own bank account. Parent groups may donate funds to a student organization or school and specify the use of funds.

These nonstudent groups are responsible for their own tax status and accounting. They may not use the District's tax-exempt status or open bank accounts using the District's tax identification number. *It is best if school staff members do not act as officers of non-student or non-district sponsored clubs to avoid the appearance of District sponsorship.*

SCHOOL DISTRICT EMPLOYEES & SCHOOL SITE INTERACTION

School employees are not employees of the parent group, and the parent group should be aware of the following:

**PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017**

- While serving as District employees, **they have no authority to work for the parent group during their District work schedule.**
- A District employee acting in his or her official capacity and during work hours may interact with parent group officials when this is a required part of his or her duties as a District employee.
- A District employee who acts in their personal capacity and on their own personal time is free to establish a parent group or to participate in it.
- *The employee must ensure that participation in the parent group does not present a conflict of interest with their duties as a school employee.*
- The employee should make it clear that their participation is in their personal capacity and not in their capacity as a District employee.

REGULATIONS GOVERNING PARENT GROUPS

Parent groups are separate from the District, and they are not under the control of, nor are they the responsibility of, the principal, superintendent or governing board. Neither the District nor students control parent group funds, nor should the parent groups be involved in administering or supervising the activities of student organizations.

The District is able to approve guidelines for these groups to follow, and these organizations' fund-raising activities are to be approved by the Superintendent, School Principal or Athletic Director. Parkrose School District requires that all organizations that conduct fund-raising to benefit clubs, schools, students or the District at the K-12 level have prior approval from the School District.

To be an active parent group in the District the group will:

1. Complete and file an original application to form a parent group.

**PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017**

2. Submit a copy of the organization's adopted constitution and bylaws with the application.
3. Submit a copy of the IRS determination letter or certificate of nonprofit status (if you choose to be an IRS 501(c) (3) - nonprofit organization).
4. Submit for approval annually a copy of the application and an updated plan of activities including:
 - a. An annual financial statement for the year just ended; the statement is to include expenditures and income for all events and fund-raisers.
 - b. A budget for the upcoming year.
 - c. A budget plan for the related activities.
 - d. A certificate of insurance indicating liability insurance is recommended but not required.

The following regulations will apply to parent groups:

- The District has the express right to review and audit parent groups' financial statements to ensure the clubs' financial integrity.
- Authorization of a parent group is valid for up to one year, however if the superintendent deems it necessary, he or she may revoke a parent group's authorization to conduct activities in the District.
- Any rules and regulations developed for the organization must conform to the law, the District's policies and regulations, and the school site's rules and procedures.
- All parent group members must be made aware that no individual should personally benefit from the activities the organization conducts and this concept should be made a part of the bylaws.

***PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017***

- Any profits from fund-raising activities that are not spent for a parent group's nonprofit exempt purpose cannot be returned directly to members or their families.
- In case the parent group dissolves or terminates, the parent group's constitution should provide for the distribution of any excess funds to another nonprofit organization, the ASB or the District.

If the parent group wishes to specify contributions as tax-deductible, the most direct path to doing so is through IRS Form 1023, which upon approval will result in the IRS issuing a determination letter that recognizes the parent group's 501(c) (3) nonprofit, tax-exempt status. Parent groups cannot legally furnish donors with receipts for a charitable tax-deductible donation unless they have obtained this type of official determination letter from the IRS.

FINANCIAL GUIDELINES

Parent groups are responsible for ensuring that proper internal controls exist for all of their financial activities. In accordance with its bylaws, each parent group should elect a treasurer who is assigned responsibility for recording, documenting and organizing all financial activities.

Sound Business Practices

Parent groups should adhere to sound business practices and maintain an adequate system of controls. These may include, but are not limited to, the following:

- The treasurer or designated officer should **prepare monthly financial statements** that are presented to the organization along with a copy of the most current bank statement and reconciliation (financial statements may include cash receipts,

***PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017***

cash disbursements, checking account beginning and ending balances, balance sheets, income statements and other relevant items).

- A budget should be developed at the beginning of the year to project expected revenues and expenses, and should be revised as needed.
- An auditor who is independent of the treasurer should be appointed and should report directly to the parent group board.
- The auditor should review all of the financial records, journals, check registers, receipts, invoices, bank statements, and other financial information at least annually.
- Pre-numbered receipt books and supporting backup documentation.
- Preparation of duplicate deposit, cash count and fund-raising forms.
- Bank deposits should be made intact and in a timely manner.
- Someone other than the individual(s) responsible for depositing funds and writing checks should perform bank reconciliations monthly.
- Checks should require a minimum of two signatures.
- All expenditures should be approved by the parent group and the approval noted in the board meeting minutes.

FUND-RAISING ACTIVITIES

Fund-raising activities should be conducted for a specific goal and not simply to raise money for the organization. Parent groups should make a cash management plan for each activity and be prepared to have volunteers on hand to count fund-raising proceeds. All fund-raising activities conducted on school premises must adhere to the District policies, regulations and procedures and each school site's individual guidelines.

Only organizations that have scheduled fund-raising activities and have obtained prior written approval from the Superintendent, Principal, Athletic Director or designee will be authorized to conduct such activities on District or school premises.

***PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017***

**DONATIONS FOR SUPPLIES, EQUIPMENT, COMPUTERS,
TRANSPORTATION AND FACILITY IMPROVEMENT**

Parent groups by nature are designed to assist the school or ASB. Such assistance may come in the form of donations of supplies, equipment and transportation. Groups may donate supplies, equipment, transportation services and facility improvements or may donate funds for their purchase. Parent groups may donate funds to avail themselves of discounts available to the District. No payments will be made directly to staff. Checks may be made out directly to staff members when it is a reimbursement with receipts detailing the items purchased. Parent groups will not provide gift cards to staff members in lieu of the reimbursement procedure outlined above.

Payments for Payroll – Athletic/Activity Voluntary Stipend Payments

When a parent groups funds a stipend for athletics or activities, the donated funds must be deposited with the District and the payroll payment processed through the District. The hiring forms are completed at the school site and submitted to Human Resources.

Supplies and Equipment

When a parent group wishes to give the school or ASB money for supplies and equipment, the Parent group may donate the funds to the school or District, and the school or District may make the purchases. A District-designated individual, who is authorized to spend the funds, with the principal or designee's approval, should carry out the purchase through the District's purchasing system.

Computers/Digital Devices

When a parent group wishes to donate computers or digital devices to a school, funds must be donated to the District. The purchase will be made through the District to receive lowest pricing and ensure compatibility with the District's networking and technology infrastructure.

***PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017***

Transportation

When a parent group wants to donate transportation, the group will work with the Transportation Services staff to schedule and submit reimbursement for the transportation service.

Facility Improvement

When a parent group wishes to donate an improvement to the school facility, the group will work with Maintenance Services staff to complete a Facility Improvement Project form to ensure a safe and successful project.

CASH RECEIPT MANAGEMENT & PROCEDURES

Sound cash management procedures are essential for successful parent group operations. Most of the fraud that occurs in business activities is directly related to the procedures for the handling of cash and checks.

Comprehensive internal controls for handling cash discourage theft of parent group funds and protect those who handle the cash. In preparation of a fund-raiser or any type of cash/checks collection, the treasurer should establish and implement internal controls with the coordinator, prior to the start of the scheduled event. This would involve the distribution of cash boxes, seed money, tickets, receipts books or other control procedures as applicable to the type of event. In addition, a plan should be established for the cash and checks collected, leading to the bank deposit. All of these internal controls are critical to protect the parent group's assets, as well as protect all members involved with the funds raised or collected, from accusations or errors.

GOOD BUSINESS PRACTICES FOR CASH PROCEDURES

The cash control procedures described in financial guidelines handbook are important to implement and follow. Each parent group should ensure volunteers understand they

***PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017***

may not hold a fund-raising event, unless they have established cash control procedures for the event. The volunteer leading the fund-raiser is responsible for ensuring that the procedures are followed from the time the event begins until all the money raised has been submitted for deposit.

FUND-RAISING EVENTS

Although parent groups may receive some donations, the primary revenue source is fund-raising events. Elementary schools usually hold traditional fund-raising events such as book fairs and walkathons. At middle schools, high schools and option schools, the students' involvement and the need for extra funds mean that the number and types of fund-raising events are constantly expanding.

Fund-raising activities provide resources to conduct activities for students, purchase supplies and equipment (not provided for through the District operating budget), meet operating expenses of parent groups and booster clubs and related purposes such as activities by students, staff and/or parent/community groups. For these reasons, they are authorized. It is equally important that the District administer fund-raising activities in such a way as to maintain an equitable balance of resources so that all District students have comparable educational opportunities. In order to provide for equity among programs and for an equal opportunity for students and community groups to participate in fund-raising activities, the following guidelines are established to regulate who should fund-raise and for what purpose.

APPROVAL OF FUND-RAISERS

The principal or designee will approve all fund-raisers. Before approving any fundraising event, the school must consider many issues such as student safety, whether Business Office is comfortable with the event and whether the event is appropriate

**PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017**

for the educational experience of the students. The School may also have concerns about the number and type of fund-raising events and whether these events interfere with the normal conduct of the school. For these reasons the school should review and approve all fund-raising events at the beginning of each school year, allowing all organizations fair opportunity to calendar their events.

It is important that non-district organizations, such as Boosters and PTO's, coordinate the timing of their fund-raisers with student body fund-raisers, so they are not in competition with each other.

GUIDELINES FOR FUND-RAISING

Instructional Programs and Activities Supported through Fund-Raising

Fund-raising events should contribute to the educational experience and should not conflict with the school's educational program. Fund-raising procedures will ensure students have equal opportunity to participate in District activities/programs and are free from discriminatory practices. Fund-raising for programs and activities will maintain an equitable balance of resources so all District students have comparable educational opportunities. Programs and activities will provide for equal access for all District students.

Fund-raising activities must adhere to the following requirements:

1. Students must never solicit materials alone, and must always work in pairs or with a group. Collections must occur only during daylight hours. A responsible adult must be present and supervise all activities. No door-to-door solicitation of residences or businesses for funds or items for any purpose by students alone.
2. Students cannot be placed in dangerous or compromising situations.

***PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017***

3. Fund-raising cannot unfavorably impact other District programs or schools.
4. Refunds will not be made on behalf of an individual student who may no longer participate in the student activity as donors were donating to a program or activity and not the individual student.
5. Groups must follow established procedures or District policy related to fundraising.
6. Participation fees will be required of all students for selected activities that occur outside of the school day. In order for all students to participate, community groups and individual schools are encouraged to establish funds for scholarships.

Field Trip Fund-Raising

The District recognizes on some field trips there are optional items and activities for which students may bring money from home. At the principal's discretion, the school or other funding partners may assist students with reasonable financial support for the optional items. Students shall not be prevented from participation in any required field trip because of inability to pay. Finances for field trips may be provided through school budgets, grants, private sponsorship, parent groups, non-profit groups, family donations and fund-raising events consistent with District policies and procedures.

Required Field Trips

Funding of field trips that are an integral part of an instructional program, and all students in a given class or course that are expected to participate shall be at District expense or through fund-raising. Parents shall be informed of the need for fund-raising

**PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017**

efforts. Parents shall not be asked to pay for the cost of their student's participation in required field trips. No fee may be charged for a required field trip.

Optional Field Trips

Field trips which are optional or otherwise not a part of any required instructional program may be authorized by the principal, with the cost to be borne by students. When approved, students and their parents are to be informed of the optional nature of the field trip, including per student cost. Each student shall independently choose whether or not to participate. School budgets may contribute to the cost of an optional field trip.

Typically Allowed Fund-Raising Events:

The following types of fund-raising events are generally considered appropriate:

- | | | |
|---------------------------------------|---------------------------|--------------------|
| • Athletic events | • Concession sales | • Entertainment |
| • Advertising | • Publications | • Student stores |
| • Cultural events/International Fairs | • Limited food sales | • Vending machines |
| • Car washes | • Scholarships and trusts | • Book fairs |
| • Gifts and grants | • Interest earned | |

Fund-Raisers that MAY NOT be Allowed:

When parent group members have concerns about potential fund-raising events and the issuance of insurance coverage, they should contact Business Office to determine if the District's insurance will cover any accidents that occur during the event. Insurance coverage should be determined when fund-raising ideas are first discussed, not when a decision has already been made to hold the event.

District Fund-Raisers that are NOT Allowed:

- Use of water tanks into which a student is dunked

***PARKROSE SCHOOL DISTRICT
PTO / PTA GENERAL GUIDELINES
FOR PARENT / TEACHER / ADMINISTRATOR
OCTOBER 2017***

- Use of darts, arrows or other weapon type items
- Trampolines or mini-trampolines
- Objects thrown at people
- Mechanical or animal rides
- Destruction of cars or similar objects with hammers

Nonstudent Group Fund-Raising

Student body funds and the funds of nonstudent organizations (booster, auxiliary, parent groups and other non-profit organizations) should never be commingled. Student body funds are never to be used to “front” money for nonstudent body fund-raising expenses. Nonstudent organizations shall be responsible for the collection of their own money, tickets and other items. Nonstudent organizations are not to solicit funds on behalf of a school or its students during the school day without prior approval by the principal or designee. Unless board policy or practice states otherwise, students can assist in nonstudent organization fund-raisers. It is important when students are involved that the donors understand this is a nonstudent fund-raiser.

Business Office staff is available to support all users of this document, and I welcome you to contact me at sharie_lewis@parkrose.k12.or.us or 503.408.2103 if you have any questions or concerns.