

# **Palm Springs Unified School District**

## **School-Connected Organizations Informational Packet**

**Compliance with Board Policy 1230**

*Updated September 2, 2020*



**School-Connected Organizations**

Compliance with Board Policy 1230

To all officers and members of the Palm Springs Unified School District's booster clubs and other school-connected organizations:

Thank you for your interest in choosing to operate a school-connected organization supporting the schools of the Palm Springs Unified School District. It is people like you that make a difference in the lives of our students!

The purpose of this handout is to provide a tool for parents/community members with the forms and information required to start and/or to continue to operate an authorized school-connected organization at Palm Springs Unified School District. In addition, this handout will ensure full compliance with the Palm Springs Unified School District's Board Policy 1230.

We are hopeful that the information contained in this handout will answer all your questions and provide you with the correct information to start or update your school-connected organization's information in order to be in compliance with this board policy.

If you have any questions or comments regarding information in this Packet, please do not hesitate to call the Fiscal Services Department at 760-883-2710.

### Purpose and Relationship to the District



Booster clubs and other school-connected organizations/groups (referred to as SCO throughout this document) are considered to be separate entities. They are an important means of connecting parents and other community members with the curricular and co-curricular activities of students. The ability of a SCO to solicit students to help in their activities is regulated by California Education Code 51520 (see Attachment 'A'). The funds of the booster clubs and other school-connected organizations must never be commingled with Associated Student Body (ASB) funds or any other funds of the District. Nor should the SCO name, address or any other correspondence imply any form of responsibility on the part of the ASB or the District. A SCO is responsible for its own tax status and accounting. The District's tax-exempt status and tax identification number (TIN) must never be used by a SCO.



### Regulations Governing Booster Clubs

California Education Code 51521 (see Attachment 'A') requires that all organizations that conduct fundraisers to benefit students, ASB clubs, schools, or the District as a whole, must have prior approval from the Palm Springs Unified School District Governing Board, or the Board assigned designee. To meet this requirement, all booster clubs must complete and file an application to form a booster club or parent support

group (see Attachment 'B'). A copy of the application must be submitted and approved annually, along with an updated plan of activities.

The District also reserves the right to review and/or audit a SCO's financial statements upon request, in order to ensure sound financial integrity exists within the organization.

Authorizations granted under this policy shall be valid for up to one year but may be revoked by the Superintendent if considered necessary. Requests for subsequent authorizations shall be presented to the school principal annually, together with an annual financial statement from the fiscal year, July 1<sup>st</sup> to June 30<sup>th</sup>, just completed, showing all expenditures and all income including a listing of all the fundraisers.

Booster clubs and other school-connected organizations are not legal components of the District. Each booster club and other school-connected organization must have its own tax identification number. See page 15 of this packet for a list of all State and Federal forms that must be completed each year by the SCO.

Each booster club and other school-connected organization must also obtain a Determination Letter from the IRS recognizing the club as a qualified 501(c)(3) organization. Although not included in this packet, official IRS information on this topic may be found at: <https://www.irs.gov/charities-non-profits>

Booster clubs and other school-connected organizations must prepare and adopt a constitution and bylaws (see "Guidelines for Developing Bylaws" below). Officers should be elected according to the structure and process defined in the bylaws. Palm Springs Unified School District employees may not hold any official position in a school-connected organization at the same school where they are employed. Any rules and regulations developed for the organization must conform to statutory laws, Board of Education policies and regulations, and school site rules and procedures. Organization members should be aware that no individual should personally benefit from the activities conducted by the organization. The organization constitution should provide for the distribution of any excess funds, in the event of the termination of the group, to another not-for-profit organization, to the ASB, or to the District.

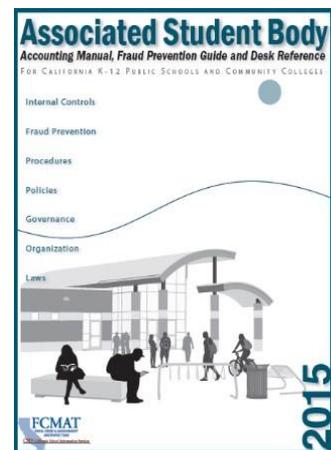
### Financial and Fundraising Guidelines

Booster clubs and other school-connected organizations are directly responsible for ensuring that proper internal controls exist for all financial activities conducted by their organization. Each organization should elect/appoint a treasurer (in accordance with their bylaws) who is assigned the responsibility for recording, documenting, and organizing all financial activities of the club. Also, SCOs must adhere to good business practices and maintain an adequate system of controls, which include the following:



- Pre-numbered receipt books (or commensurate methodology) should always be used for all financial transactions and maintained as backup documentation for future review and audit.
- Bank deposits should always be made intact and in a timely manner. Cash receipts should never be used to pay for any purchases/expenses.
- Bank reconciliations should always be performed monthly by someone independent of depositing and check-writing duties.
- The treasurer or designated officer should always prepare monthly financial statements that are presented to the organization along with a copy of the most current bank statement and reconciliation.
- The organization should always appoint an auditor, independent of the treasurer, to review all of the financial records, journals, check registers, bank statements, receipts, invoices, etc., at least annually.
- Checks should always require a minimum of two signatures.
- All expenditures should always be approved by the organization and so noted in their minutes.

Fundraising activities should be done for a stated specific goal and not simply to raise money for the organization. All fundraising activities conducted on school premises shall adhere to the guidelines for fundraising activities established by the Board of Education, each school site's individual guidelines, and those noted in the Associated Student Body Accounting Manual & Desk Reference 2015, prepared by the Fiscal Crisis Management Assistance Team (FCMAT). Copies of this book and accompanying forms are also available for download at: [www.fcmat.org](http://www.fcmat.org).



Only those organizations that have scheduled fundraising activities, and have obtained prior written approval from the ASB and the school principal shall be authorized to conduct such activities on District or school premises.

### Insurance Requirements

The Palm Springs Unified School District requires each booster club and other school-connected organizations to have a \$1,000,000 comprehensive general liability insurance policy in order to conduct business with District schools. Bonding insurance

is also recommended. Please review the following and provide the necessary documentation to the District office:

If your organization is a recognized PTA (Parent Teacher Association) affiliated chapter, evidence of that status will be sufficient to meet the District's insurance requirements.

If your organization does not meet the above definition, proof of insurance must be provided from your broker/insurer in the form of a certificate of insurance and endorsement with the District named as additional insured.

### Use of School Premises

Should your organization require and/or desire the use of District facilities (for a meeting or other purpose), please visit your school office or complete one online via the District website under the "Maintenance & Operations Department" link.

### Donations for Supplies Purchases (New procedures that started in the 2017-2018 School Year)

When a SCO wishes to donate money to a school (not an ASB) to be used to purchase supplies, a check can be made payable to PSUSD. All donations will be coded to resource 0451 and object code 4300. A budget will be created in Galaxy for the donated funds.

The District designated person who is authorized to spend the funds will then process a purchase requisition in Galaxy to purchase the needed supplies.

### Donations for Equipment Purchases (New procedures that started in the 2017-2018 School Year)

When a SCO wishes to donate money to a school (not an ASB) to be used to purchase equipment, a check can be made payable to PSUSD. All donations will be coded to resource 0451 and object code 4300. Any equipment over \$500 will be coded to object code 4400 and inventoried by the Purchasing Department. A budget will be created in Galaxy for the donated funds.

The District designated person who is authorized to spend the funds will then process a purchase requisition in Galaxy to purchase the needed supplies.



If the SCO wishes to purchase equipment outright and donate it to a school, please ensure that the principal and District's Purchasing Department have been notified prior to the equipment being ordered.

The equipment must then be accepted by the Governing Board at a regular Board meeting as a donation to the District. The SCO must work with the school and contact the Senior Administrative Assistant of Business Services, Kris Murphy, at 760-883-2710 to get the donated equipment onto the board agenda.

### Donations for Transportation/Field Trips

A SCO may donate funds to the District for the transportation of students to events. A field trip request form must be completed in conjunction with the school site and then sent to the District's Educational Services Department for approval. The request form must be marked boldly:

#### **TO BE PAID BY:**

- Name of Parent and/or Booster Club/Organization
- Person responsible for Parent and/or Booster Club/Organization (Treasurer, President, or contact person of the organization)
- Address for bill to be sent

The transportation costs will be charged to the school account code on the requisition at the time of payment. The District Office will then bill the SCO for the amount of the transportation costs.

### Payment of Salaries

A SCO may not pay any employee of the District an additional stipend without prior approval of the Palm Springs Unified School District. If the booster club wishes to enhance the extracurricular experience with additional personnel, please follow the District's hiring procedures noted below.

### Hiring Request by Booster Clubs Procedures

The Palm Springs Unified School District does not allow parent or booster clubs to hire staff directly to perform services for the Palm Springs Unified School District. If a SCO does wish to pay for extracurricular services, the person to provide the services must be hired through the human resources office of the Palm Springs Unified School District. The SCO will then be required to reimburse the District for the expense.

The procedure is as follows:

1. The school site will contact Human Resources and request extra duty time for the specific employee. Human Resources will prepare the form and send it to the school principal for signature.
2. A Request for Extra Duty form will be signed by the school principal receiving the services and returned to Human Resources.

3. The Request for Extra Duty will indicate the SCO that will reimburse the District for the expense. The form should contain all information about the SCO to facilitate billing.



4. Human Resources will give the Request for Extra Duty to payroll in Fiscal Services for processing and future billing to the SCO.
5. The employee will complete a time card and submit it to payroll in Fiscal Services.
6. After the employee is paid Fiscal Services will invoice the SCO for the total cost of the employee's pay including fringe benefits.
7. The SCO submits a check to the District that is used to repay the expense.

#### Raffles and Auctions (New procedures that started in the 2017-2018 School Year)

Raffles are defined as a type of lottery in which prizes are awarded to people who pay for a chance to win. Each person enters the game of chance by submitting a detachable coupon or stub from the paper ticket purchased. This "game of chance" would be considered gambling. There are many restrictions on this type of fundraiser. Pursuant to Penal Code Section 320, California public schools are prohibited from conducting raffles or games of chance. However, eligible nonprofit organizations may hold fundraising raffles under the following circumstances (Penal Code Section 320.5):

- 1) The nonprofit has its own tax identification number.
- 2) The nonprofit registers annually with the Attorney General.
- 3) 90% of gross profits generated by the sale of raffle tickets goes directly to charitable purposes.

An auction, on the other hand, is a group of items that have been donated or purchased that are then "sold" in an auction to generate donations for a specific group or activity. An auction held on a Saturday, conducted by a PTA or booster club with the sole purpose of raising donations for the school, would be acceptable as a fundraiser. Both parents and students would be able to bid on the items, since it would not occur during school hours, and is not considered gambling. However, when a school is working with a SCO, the community perceives that the funds raised will be used towards supporting school functions. Care must be taken by all involved that the



donations received are used in the manner represented by the organization conducting the fundraiser.

## Consultants

In the course of ordinary business, the District (and ASBs) often hire consultants to assist with various projects or presentations needed. SCOs should be aware of the regulations that must be followed when communicating with the ASB on this topic. The following is an excerpt from the Associated Student Body Accounting Manual & Desk Reference 2015, Fiscal Crisis Management Assistance Team (FCMAT), describing the various issues associated with Consultants and Employees:

*If someone is not already an employee of the school district, the ASB/SCO must determine whether that person legally is considered an employee or an independent contractor under the IRS regulations. Independent contractors frequently are called consultants within the school district community. Because it is sometimes difficult to make this determination, some districts have chosen to require the ASB to hire all extra help as employees of the school district and pay them through the regular payroll process. However, neither the federal government nor the IRS has that stringent a set of mandates.*

## Guidelines for Employee vs. Consultant Status Determination

*The following are IRS guidelines for making the distinction between employee and independent contractor. If the answer to any of these questions is yes, then the ASB/SCO organization should classify the worker as an employee, with payment being made through the district payroll process.*



1. *Does the ASB/SCO organization provide the worker with instructions on how to do the work? For example the following are all instances that imply either independent determination by consultant or dependent status of employee:*
  - i *Where and when to do the work*
  - ii *What tools or equipment to use*
  - iii *What workers to hire to assist with the work*
  - iv *Where to purchase supplies and services*
  - v *What work must be performed by specified individuals*
  - vi *What order or sequence to follow*

2. *Is the worker's service a vital part of the ASB/SCO operations?*
3. *Is the worker responsible for hiring, supervising, and paying assistants?*
4. *Does the worker perform services for the ASB/SCO on a regular and continuous basis?*
5. *Does the worker delegate work to others within the ASB/SCO or district?*
6. *Does the ASB/SCO organization set the hours of service for the worker?*
7. *Does the worker work full-time for the ASB/SCO?*
8. *Is the worker reimbursed for business and travel expenses?*
9. *Does the ASB/SCO provide the equipment and tools for the worker?*
10. *Can the worker end the relationship with the ASB/SCO without incurring a liability or obligation?*

### Guidelines for Developing Bylaws

School-connected organizations need written policies and procedures to guide their efforts. These take the form of bylaws. Following are some elements that should be incorporated into a comprehensive, yet flexible set of bylaws.

#### *Statement of Purpose*

State the purpose and the function of the organization. A simple statement is all that is required, but it should be clear enough so all will understand why the organization has been formed and what it is set up to do.

#### *Membership and Tenure*

- Who can join the organization?
- How many members will they have?
- What officers will they have?
- Will those who move from the school attendance area be allowed to serve their terms, if desired?
- What are the procedures for removing someone from office?
- How long will they be allowed to serve?
- Will they be allowed to serve consecutive terms?

- How will unexpired terms be filled when vacancies occur? Will leaves of absence be permitted?

The bylaws could state that vacancies of elected officers are to be filled by the person with the next highest number of votes in the most recent election and that all replacement officers may only finish the term of the person replaced. Organizations may also want to define the procedures for resignation, e.g. a letter to the chairperson, and/or establish criteria for terminating officers who fail to attend meetings, e.g. missing two consecutive scheduled meetings without cause or proper notice to the chairperson.

### *Election Procedure*

How will officers be elected?

How and when will elections be held?

The timing and procedures for elections and appointments are up to the organization.

### *Duties of Officers*

Here is a sample of how you might describe the duties of your officers:

Chairperson/President -- The chairperson/president shall preside at all meetings and have general supervision of the affairs of the organization. The chairperson will work with the organization's elected officers in directing the affairs of the organization, including monitoring organization progress. The chairperson will prepare the agenda for all meetings and distribute to members. He/she will have the authority to modify or change the agenda if it is determined to be in the best interest of the organization's work.



Vice-Chairperson/President -- The vice-chairperson/president shall exercise all duties in the absence of the chairperson/president. The vice chairperson/president will maintain a listing of the membership with telephone numbers, addresses and attendance and will assist the chairperson as needed.

Secretary -- The secretary is responsible for keeping a full and accurate account of the proceedings and transactions of all meetings; providing copies of minutes to members in timely fashion; preparing any official correspondence that chairperson may request; maintaining an organization file containing copies of all agendas, minutes, organization plans, progress reports, current copy of bylaws, copy of Palm Springs Unified School District Board policies; copy of annual authorization form; and any other necessary documents.

Treasurer -- The treasurer is responsible for the proper handling and receipting of all monies raised at fundraisers; for completing the annual financial report each year and distributing to appropriate people; and, maintaining all financial records of the organization.

## *Meetings*

Where will the meetings be held and how often? What time will the meetings start and how long will they last? How will special meetings be called? Remember, regularly scheduled meetings are essential to accomplishing the work of the organization. How will agendas be prepared by the chairperson/president? One organization prepares agendas as follows: For regular meetings, members will provide suggestions for the upcoming agenda at the end of each meeting. Agenda items can be added on an emergency basis when deemed necessary by the chairperson/president.

## *Decision Making*

Some organizations emphasize consensus decision making and call for that in the bylaws.

## *Disbursement of Funds upon Organization Termination*

Bylaws should state the desired use of money remaining at the end of the year if the organization is not continued or authorized to continue in the future. As an example, one organization stated that remaining money will be deposited to the general student body account via gift proposal.

## School Administration Guidelines

The following guidelines have been communicated to District administrators to guide them as they interact with booster clubs and other school-connected organizations. To facilitate open communication between administration and SCO officers certain procedures should be followed. These communication guidelines will establish an open relationship between the two to enable more students to be served better.

Prior to the beginning of school in the fall, no later than August 31, an administrator should meet with all booster clubs and other non-school organizations/groups (or their officers) to discuss the following:



- The annual application process for booster clubs and other school-connected organizations (including the requirements for financial statements, constitutions, bylaws, and an organization charter).
- How the school calendar of activities operates (e.g., who must be contacted to place activities on the calendar).
- District regulations on the use of facilities.
- All applicable fundraising regulations (e.g., Education Code, Board Policy and Regulations, site rules and procedures, good business practices) when the school day, school or District facilities, school personnel, or students are involved.
- Reinforce the separation of booster clubs and other school-connected organizations and the District's legal status, bank accounts, and tax status.

- Remind booster clubs and other school-connected organizations that Palm Springs Unified School District employees may not hold any official position in a school-connected organization at the same school where they are employed.
- Remind District personnel to not be involved in any financial transactions that are the booster clubs and other school-connected organizations responsibility (e.g., signing checks, collecting funds, or authorizing payments).
- Collecting the names, addresses, telephone numbers, email addresses, and any other relevant information of all booster club and other school connected organizations officers.
- Explain the District's hiring procedures and remind all booster clubs and school-connected organizations of the responsibilities related to hiring and paying individuals (including payroll tax reporting).
- Explain the types of student trips or activities that require administration and/or Board approval.

Decertification



Failure to meet timelines or adhere to guidelines may result in decertification.

District Contact Information

If you have any questions or comments regarding the activities of booster clubs and other school-connected organizations, please feel free to contact the site Principal and/or the District Office for assistance. The District Office contact information is as follows:

Fiscal Services Department  
 Palm Springs Unified School District  
 150 District Center Drive  
 Palm Springs, CA 92264  
 Telephone: (760) 883-2710



**School Site Calendar for School-Connected Organizations**

<b>Due By</b>	<b>Description</b>
First week in September	SCO training dates (September 2, 3, 2020)
September 16	Site administrator will meet (Zoom, etc.) with all School-Connected Organization (SCO) representatives and review the guidelines, expectations, and Annual SCO application packet.
September 23	Site administrator will forward a list of active SCOs including the date they reviewed the SCO policies with them.
September 30	Every SCO will submit an application for recognition and approval to the Business Services Department for the new school year.
September 30	First Principal and ASB/USB Director fiscal oversight checklists due to Fiscal Services (reminder- the checklists will be due at the end of each month throughout the school year until further notice.)
November 18	SCOs that have submitted a completed application by September 29 will receive notification of Board approval from Kris Murphy in the Business Services office.

## **ATTACHMENT 'A'**

### Education Code Section 51520 - Prohibited Solicitations on School Premises

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. Nothing in this section shall be construed as prohibiting the solicitation of pupils of the public school on school premises by pupils of that school for any otherwise lawful purpose.

### Education Code Section 51521 - Fundraising Projects

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 prohibitions of this section shall not apply with respect to any solicitation or contribution the total proceeds of which are delivered to a public school, nor to a solicitation of a transfer to be affected by a testamentary act.

## **ATTACHMENT 'B'**

### **REVIEW OF SCHOOL-CONNECTED ORGANIZATIONS**

Board Policy 1230 requires that all groups desiring to be recognized as school connected organizations request authorization from the Board. The organization must provide the following information annually to the Assistant Superintendent of Business Services no later than September 30:

1. The name of the organization
2. The date of application
3. Membership quotas or qualifications
4. The names, addresses and phone numbers of all officers

5. A brief description of the organization's purpose
6. A list of specific annual objectives
7. The name of the bank where the group's account is located and the names of those authorized to withdraw funds
8. The signature of a site administrator who supports the request for authorization
9. Desired 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. Evidence of liability insurance as required by law, including an agreement between the club and District against any liability resulting from any occurrence resulting in liability at an event or activity sponsored by the organization

In addition, Board Policy 1230 states that school-connected organizations automatically grant the District the right to audit their financial records at any time, either by District personnel or by a CPA.

In order to be recognized as a nonprofit 501(c) (3) the following must also be submitted to the appropriate State or Federal agency (as noted):

- A. File a 1023 Application for Tax Exempt Status (Federal)
- B. File a 3500 Exemption Application (California)
- C. Annually must file a 990-N, 990-EZ or 990 (Federal)
- D. Annually must file a 199 (California)
- E. Annually file a CT-1 and RRF-1 (California Attorney General)
- F. File a Statement of Information every other year (California Secretary of State)

If the organization has Unrelated Business Income Tax for any year then a 990T and 109 must also be filed, and taxes paid at the corporate rate.

## **SCHOOL-CONNECTED ORGANIZATIONS**

### **CHECKLIST FOR MAINTAINING PROPER INTERNAL CONTROL**

The following is a checklist to assist school-connected organizations in maintaining adequate financial records. The list is by no means comprehensive but is designed to be a guide. Although the District will not audit every organization every year, you must maintain the items at all times to remain in compliance. The District will audit organizations on a random and rotating basis, and maintains the right to audit an organization at any time.

- If your organization collects receipts in excess of \$25,000.00, do you have a copy of the IRS letter, authorizing the organization to be a qualified 501(c) 3 organization?
- Do you have copies of all the bank statements?
- Have all bank statements been reconciled?
- Do you have a copy of the annual budget that lists expected revenues and planned expenditures?
- Are there proper controls to ensure that all checks are reviewed and approved by someone other than the person initiating the request?
- Are there proper controls over fundraising activities to ensure that all cash received actually is deposited into the organization's bank account?
- Do you have adequate supporting documentation for all expenditures?
- Do you have adequate supporting documentation for all receipts?

# Annual Organization Approval Form, 2020-2021



Board Policy 1230 requires that all groups desiring to be recognized as school connected organizations request authorization from the Board. The following questionnaire addresses each of the required components of the Board Policy, as well as allows the District to comply with the requirements of Governmental Accounting Standards Board (GASB) Statement Number 39.

This report is for the previous fiscal year (July 1 through June 30), and is due to the Assistant Superintendent of Business Services by September 30, 2020.

Date of Application for Approval: \_\_\_\_\_

Name of Organization: \_\_\_\_\_

Tax Identification Number (TIN): \_\_\_\_\_

### Attach a copy of Determination Letter or a copy of Application for Determination.

1.) Provide the name, address, phone number, email and title of all officers.

Name: _____	Name: _____
Address: _____	Address: _____
Phone Number: _____	Phone Number: _____
Email: _____	Email: _____
Title: _____	Title: _____
Name: _____	Name: _____
Address: _____	Address: _____
Phone Number: _____	Phone Number: _____
Email: _____	Email: _____
Title: _____	Title: _____

2.) A brief description of the organization's purpose, including any membership qualifications or quotas.

3.) A list of specific annual objectives.

4.) Indicate the desired use for any money remaining at the end of the year if the organization is not continued or not authorized to continue in the future.

5.) Provide the following financial information for the past fiscal year (July 1 to June 30):

(A) Beginning Bank Balance (July 1)	
(B) Total Receipts for the year (July 1-June 30)	
(C) Total Expenditures for the year (July 1-June 30)	
(D) Ending Bank Balance (June 30) (should=A+B-C)	

6.) (a) The name and address of the bank where the organization's account is located.

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(b) The names of those authorized to withdraw funds.

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**7.) Provide a copy of evidence of liability insurance.**

8.) Obtain signature of a site administrator who supports the request for approval, (Principal, Vice Principal or Assistant Principal) and signature of the school-connected organization President or Treasurer.

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Site Administrator Signature	Title	Date
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Submitted by:

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President/Treasurer Signature School-Connected Organization	Title	Date
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