

WCS Booster Club Guidelines to Comply with The School Support Organization Financial Accountability Act of 2007

(as amended, 2008)

Student Activity Funds:

The definition of “Student Activity Funds” changed in 2008 and reflects the distinction between “school sponsored” events and “school support organization” sponsored events. The 2008 Amendment changed the language so that if the booster club or support organization sponsors the fundraiser, then the SSO is responsible for collecting and accounting for the money, even if the fundraiser is held on school property during the school day with students and teachers involved. Generally it depends on who assumes responsibility for the fundraiser and sponsors the event.

Filing a copy of your charter with the Secretary of State

The law still requires that an SSO file a copy of its charter with the Secretary of State. However, the 2008 Amendment waives the One Hundred Dollar filing fee with the Secretary of State. The Williamson County School System encourages each school to have one SSO file a charter and if desired have other organizations under that umbrella. Even though other organizations would be under the umbrella they could still have their own bylaws and board members.

Turning in fundraising money for an SSO fundraiser at school

With approval from the principal and pursuant to Williamson County School Board policy 4.503, students can turn in money collected outside of school for a booster club/SSO fundraiser during the school day, so long as the money is in a sealed envelope and never opened by anyone other than the member of the SSO responsible for handling the money. The school and its employees who take up the envelopes merely act as a “pass through” for the sealed envelopes. There can be no accounting for the funds at the school by school personnel or employees.

Boosters and bookstores

A principal can grant permission to a booster club/SSO to operate a bookstore located on school grounds as long as the booster club/SSO runs, collects, and accounts for the money and spends 100% of the profits in support of the school. The booster club/SSO is required to comply with the Tennessee *Internal School Uniform Accounting Policy Manual* (ISUAPM) when handling, collecting and accounting for the money at the bookstore.

In summary

A school support organization must:

- File a copy of their charter with the Secretary of State
- Maintain some organizational structure to the booster club (bylaws, officers, rules for meetings and membership, etc)

- Maintain minimum procedures for accounting for and protecting the money raised.
- Get permission from the Director of Schools or his/her designee to conduct fundraisers.
- Keep up with records (copy of charter, list of officers and their contact information, bylaws, accounting policy/rules, total receipts and disbursements)
- Document and maintain a detailed list of receipts, disbursements and minutes of the meetings for at least four (4) years.
- Annually file a statement of total revenues and disbursements with the Director of Schools or his/her designee by July 31st of each year.
- Maintain adequate separation of duties between SSO officers and school employees who are in charge of the related school club or athletic group the SSO supports
- Remember, if money is collected by a school employee acting in his or her official capacity, such money is considered to be school money and must be deposited into the school's account.

Frequently Asked Questions

1. Does the SSOFAA require school support organizations to have 501(c)(3) status?

Although not required, filing for and receiving 501(c)(3) exemption from the IRS and following all applicable guidelines provides a school support organization federal tax-exempt status, and allows the organization to benefit from the advantages of such status. Each individual organization is urged to consult with the IRS and/or a tax professional for questions concerning federal tax requirements and/or exemptions.

2. Does the SSOFAA require school support organizations to obtain a federal employer identification number (EIN) or state sales tax exemption?

No. The SSOFAA does not require school support organizations to obtain an EIN or sales tax exemption. However, the Act prohibits school support organizations and other nongovernmental groups from maintaining a bank account bearing the EIN of a school or of other school-related governmental entities, and from using a school's sales tax exemption. School support organizations are encouraged to obtain a federal EIN for use in opening bank accounts. In order to disburse funds to individuals and issue 1099s organizations must have an EIN.

3. Can a school be responsible for accounting for the funds of a school support organization by mutual agreement as provided for in the *Internal School Uniform Accounting Policy Manual*, Section 1, pages 4-5?

No. *Tennessee Code Annotated* 49-2-604(g) expressly prohibits a school representative from acting as a treasurer or bookkeeper for a school support organization.

4. Would a school support organization be allowed to retain collections from a school dance held for students at the school, if the organization was responsible for set-up, collections, clean-up, etc.?

Yes. As long as the SSO “sponsors” the event and is solely responsible for the event, collecting and accounting for the money, safeguarding the funds and depositing the funds into the SSO account in a timely manner.

5. Could the soccer coach participate in a car wash fundraiser sponsored by the soccer booster club to benefit the soccer team?

Yes. If the car wash fundraiser is “sponsored” by the SSO, the soccer coach could participate in washing cars. However, the soccer coach could not be responsible for supervising the event for the SSO, including any related financial activities. According to the SSOFAA, the soccer coach would be considered a school representative in relation to the soccer team and its booster club. The Act does not prohibit a school representative from taking part in a related school support organization fundraiser, so long as the school representative is not responsible for collecting, counting, or depositing the funds raised.

6. Can a school support organization sell t-shirts to students at school and keep the money?

Yes. If school support organization personnel are responsible for all aspects of the fundraiser, then money received from sales of the t-shirts, including shirts sold to students, would generally be considered school support money.

Other Questions Involving Booster Clubs in WCS and/or WCS Administrative Guidelines

1. Can coaches receive pay from the booster clubs for taking care of fields, etc.?

Booster Clubs may not pay coaches directly for any services. Coaches may be paid by the schools for appropriate field care time, under WCS financial procedures. Regarding field maintenance, the money budgeted to the school for field maintenance will be used first then the booster club can donate up to a certain amount for field maintenance.

Part of the procedure is that all monies must be sent to the central office or paid to the school who will then forward a check and necessary documents to request payment to the central office. All applicable deductions will be taken and a check will be issued by the central office payroll department to the coach. The coaches must keep a time sheet signed by the principal and submitted to the Athletic Specialist. The coaches will be paid \$10 per hour for field maintenance. Please keep in mind that matching funds for FICA, TCRS, etc. will be collected and paid when calculating monies donated by the booster club for the purpose of paying for coaches’ services.

2. How to handle camps/clinics sponsored by the booster club?

If the camp/clinic is sponsored by the booster club, representatives of the booster club must collect all monies. Williamson County School Administrative Guidelines allow two ways a coach/sponsor can get

paid. The coach/sponsor conducts a camp/fundraiser for his/her sport and he/she can receive the current hourly rate which is \$25.00 an hour with all the remaining funds going into the school athletic accounts **OR** the coach can receive a portion of the monies collected if the camp is sponsored by the Booster Club. Remember that, in this instance all checks are made to the Booster Club and the Booster Club Treasurer must handle all receipts, deposits and write all checks. The booster club will receive at least 50% of all monies collected since they are the fundraising organization. The next step is to pay for all of the expenses. The coach is then allowed to receive the remainder of the money, if that is the agreement worked out with the boosters. For example; a coach has a camp and \$5,000 is collected from participants. The booster club receives \$2500. There is \$1,000 worth of expenses to be paid. The coach may then receive an amount up to \$1,500. However, the booster club must send the check to the central office where all applicable deductions are taken. The payroll department will issue a check to the coach/sponsor. Remember, how or whether a coach gets paid under one of these two processes must be worked out between the boosters, the coach and the principal before the event. For Booster sponsored fundraiser camps a sample Sports Camp Agreement contract is on file at each school.

3. Can a booster club hire a vendor to come to a school to work with the student-athletes?

A booster club or any other organization cannot hire vendors/personnel to come on school grounds to work with our students in any capacity without a formal request for services from the school principal or athletic director. Ideally, the booster club/PTO should donate a specific amount of money to the school for the restrictive purpose of hiring the outside contractor to perform services, based upon a written request from the Principal or athletic department. The school then will be allowed to contract the outside contractor/vendor to perform those services using whatever contractual requirements required by bid or RFP (Request for Proposal) laws. This will apply to athletics, band, cheerleading, dance and other similar situations.

4. When a RFP is conducted does the school have to go with the lowest bid?

No, they can go with the best overall proposal. If the total amount of the services provided by the individual and/or company is below \$2500 for the school year, it does not have to go through a bid or RFP process. If the amount of the services is between \$2500 and \$9,999, three phone bids must be conducted. If the amount is \$10,000 or more then a bid or RFP must be done. Schools should call Kirk Elliott for details about what services that require a bid rather than a RFP.

Preferable Process between Booster Clubs and Williamson County Schools

The best way for a booster club to work within the laws and board policies is to have the booster clubs/PTOs write checks only to the school or the school system. For example, if the school needs baseball uniforms and the booster club agrees to pay for those uniforms, the booster club should make a donation to the school for the restrictive purpose of purchasing those uniforms. A stipulation letter should accompany the donation by the booster club. After that donation is made, the baseball coach should complete the necessary paperwork and follow the bid process to order the uniforms. The school bookkeeper then writes the check after the

items are received. This process should also apply to coaches traveling for clinics, etc., with expense reimbursements being controlled by WCS procedures, to avoid any appearance of abuse of booster funds.

Additional WCS Administrative Guidelines Regarding Fundraisers and/or Fees

1. Only fees approved by the Williamson County School Board can be charged to the student/athlete.
2. Fundraiser Activity forms must be completed and approved before any fundraisers take place.
3. A **coach/sponsor** must not state and/or imply to any student/athlete that they must pay or help participate in fundraisers to raise a certain amount. (For example: A baseball coach cannot tell each athlete on his team that they are responsible for a certain amount and they can either pay that amount or participate in fundraising activities to raise that amount.)
4. A **coach/sponsor** can communicate to the team that they have a fundraising goal to help meet expenses. Each fundraiser must state how the money collected will be used.
5. A **coach/sponsor** can make the decision to reduce expenses for the individuals who participate in the fundraiser(s) and not offset the costs of those wishing not to participate. This decision must be applied uniformly and consistently. (For example: A basketball team has a kids' camp and the money raised will help pay for a team camp. Five athletes choose to work the kids' camp and \$500 is raised through the camp. The coach can make the decision to apply the money made from the kids' camp to help offset the athletes' fees who worked the kids' camp for the team camp but not the others who chose not to participate in the fundraising activity. However, a coach can not choose to help one athlete who did not participate in the fundraising activity without helping all others equally.)
6. Personal items such as shoes or other personal merchandise must be paid for before being given to the **students/athletes**. The costs of the merchandise may also be paid through fundraisers and the same rules as stated above will be applicable to the athletes who choose to participate and not participate in the fundraisers. Again, money for the merchandise must be paid for before being distributed to the **students/athletes**.
7. If a(n) **student/ athlete** quits or is dismissed from a team, that student/athlete is not entitled to any money they helped raise by participating in any fundraisers.
8. **Coaches/Sponsors** may not recommend camps, training facilities, etc., to **students/athletes**: nor may they invite members of these organizations who operate such enterprises into the school to meet with/talk with parents and team members: nor may they collect money from students or in any way solicit students to participate in activities at such facilities. The decision to attend an individual camp and/or training facility must be made by the individual student/athlete and not encouraged or required by the **coach/sponsor**.
9. Parents may not be charged a "fee" in lieu of participating in fundraisers.
10. No **coach/sponsor** may "tutor" for pay their athletes or prospective athletes at any time nor may they recommend or steer their **student/athlete** to another coach offering the same training program.