

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

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. Our Director of schools has designated this authority to Assistant Superintendent for Elementary Schools and Assistant Superintendent for Middle and High Schools. SSO fundraiser request are submitted to each school's principal.
- 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.

Student Activity Funds:

Tennessee Law has established a distinction between "school sponsored" events and "school support organization"(SSO) sponsored events. A booster club or support organization sponsors a 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 requires that an SSO file a copy of its charter with the Secretary of State. The State waives its standard One Hundred Dollar filing fee for SSO. The Williamson County School System encourages each school to have one SSO file a charter and if desired have other organizations under that umbrella.

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.

Process between Booster Clubs and Williamson County Schools:

In order for a booster club (PTO, Athletic ,Band, etc) to work within the laws and board policies; those organizations are to write checks to the school or school system prior to ordering and purchasing any equipment that is to be sent to the school by the vendor. Example: uniforms for a team, instrument for the band, computers for the classroom, etc. the cost of those items should be determined, and then the booster club should make a donation to the school for the restrictive purpose of purchasing those items. A stipulation letter should accompany the donation by the booster club; after that donation is made, the coach, band director, teacher, principal, etc. should complete the necessary paperwork and follow the bid process if the amount exceeds \$5000.00. The school bookkeeper then writes the check after the items are received. This process also applies to coaches, band directors, teachers, etc. who are traveling to clinics, professional development, band competitions, camps etc. with reimbursements being controlled by WCS procedures, to avoid any appearance of abuse of booster funds. **No alcoholic beverages may be purchased as a part of the meal or for any other reimbursable. Upon return from the clinic; the coach, band director, teacher, etc. will provide receipts for all meals. The amount paid back to the coach will not exceed that paid by WCS to any county employee on official travel. The coach will obtain the per diem meal rate from WCS finance department prior to the initiation of travel.**

All other items that are purchased by the booster organizations are to be picked up by an individual or shipped to an individual’s house without any reference to a specific school just the organization itself. Example of those items could be: food, drinks, clothing that you sell for fundraising purposes, small items picked up at stores then donated to the schools, concession items, etc.

Purchasing of Merchandise:

This Standard Operating Procedure (SOP) refers only to items that the booster club buys for the school that fall into the equipment, uniform, or instrument category. For example this includes band instruments, softball uniforms, weight machines, etc. that are for use by students. This does not apply to items used by the booster organizations in its fundraising efforts or small ticket items they may purchase.

We have experienced a number of issues when Booster organizations ordered materials and merchandise directly for delivery to a school. The problems initially occur because we do not have the actual purchase order to determine if the delivery was correct. The more serious problem occurs when the booster organization orders materials, believing at the time of the order that their fundraising will be successful and sufficient to pay for the items they ordered. The fundraising isn't sufficient, the school is using the equipment or uniforms, and the booster organization does not pay the full cost. Since we are in possession of and users of the items, we may be legally responsible for paying for them, thus the school has to cough up the money to pay for items ordered by the booster organization. All these issues don't exist when the booster organization provides the school with the donated money, the school orders the materials, and the school pays for the materials with the donated funds. Using this method, the items are never ordered until adequate funding is received and the school bookkeeper pays for the items upon receipt of the merchandise. It is simple, it's clean, and it protects the school.

At many schools across the state; the booster clubs sometimes want to take actions independent of school and school board authority. Because of this, legislation has been passed which gives schools more responsibility over the finances of these clubs. Giving more control to the schools also means that the principal has more responsibility and will be held accountable to ensure the booster clubs are following all applicable laws and Williamson County Board policies.

Additional State and WCS Administrative Guidelines Regarding Fundraisers and/or Fees

1. Per state regulations, 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 cannot 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 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 **SHALL 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.

Frequently Asked Questions

School Support Organization Financial Accountability Act (SSOFAA)

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

No. 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.

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

Booster Clubs may not pay coaches directly for any field care 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 the hourly rate 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 the hourly rate currently being used 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.

8. How do we handle money from 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. WCS Administrative Guidelines allow two ways a coach/sponsor can get paid. (1) The coach can receive up to 50% of the monies collected if the camp is sponsored by the Booster Club. Remember that in this instance, all checks must be 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 gross monies collected 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 to pay for all expenses. The coach may then receive an amount up to \$2500. (2) The coach is paid \$25.00/hr 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.

9. 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. The booster club/PTO must 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. TN Law requires that any contractor coming on campus must get a fingerprint background check. This will apply to athletics, band, cheerleading, dance and other similar situations.

10. When a RFP for professional services is conducted does the school have to go with the lowest bid?

“Professional services” are those services that require a Tennessee license to perform: athletic trainers, physicians, etc. for professional services, the school can go with the best overall proposal. For other services not requiring a professional license, if the total amount of the services provided by the individual and/or company is below \$5000 for the school year, it does not have to go through a bid or RFP process. If the amount of the services is between \$5000 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 at 615-472-4011 for details about what services that require a bid rather than a RFP.

11. Do booster clubs have to use an RFP?

NO, if a booster club does purchase items that are delivered to the schools those items have to be paid in full before a school is allowed to receive that shipment.

12. Can a booster club pay for a team camp?

TSSAA BYLAWS: Section 22. All expenses of an athlete who attends any athletic camp where specialized instruction is offered in any sport sponsored by TSSAA must be paid by the athlete or his/her parents.

This does not apply to general team camps, where the team as a whole goes to a camp and works together; it is for individual camps if a student athlete decides to go on their own to any camp, clinic, combine, or gym for instruction or to compete then the parents or athlete has to pay the total cost. No coach or booster is allowed to help with cost of such activities.

13. Can a booster club purchase gifts for teachers or coaches with SSO funds?

The PTO can spend funds on general things for the benefit of all the teachers (snacks, etc.) or buy equipment for the school that might be used by only one teacher (books for a particular classroom), but it can't spend its funds for personal gifts to individual teachers; this must be done privately, without SSO funds. Paragraph 4 of Board Policy 4.503 states that all SSO funds must be used for the stated purpose of the organization, and Leslie tells me that she has concluded that auditors would consider personal gifts to individual teachers to be outside the scope of the SSO's stated purpose.