

DeSoto

PARISH SCHOOLS

Guidance Document for Booster Clubs and Other Support/Auxiliary Organizations

FOREWORD

The DeSoto Parish School Board recognizes that schools receive substantial assistance from Booster Clubs and other support organizations (collectively referred to as Auxiliary Organizations) that are meant to enthusiastically support our students and help promote the school and district goals/vision. While such organizations have no official link to the school or School Board, the public perceives these groups as also representing the school. This provides the reason we must help to ensure that booster clubs and support organizations operate within a set of guidelines that are aligned with the Statewide Agreed Upon Procedures (AUPs).

This document is designed to assist officers and members of Auxiliary Organizations by providing organizational and financial guidance. **Only approved organizations, operating under these procedures shall be allowed to use the school name, logo, mascot, colors, or facilities in support of its programs. Any auxiliary organization which uses the school's name, logo, mascot, and/or colors shall be required to annually complete a DPSB Permission to Use School Name, Logo, Colors, and/or Mascot agreement and comply with the requirements outlined in the agreement.** This form shall include information on the current year's officers and must be signed by the organization's president and the school principal. Additionally, it is imperative that all fund raising and other efforts to support school programs operate in concert with the administrators and staffs of the schools. Specific questions regarding a group's activities should be addressed to the school principal.

If there is suspicion of theft or fraud of any kind within the organization, please contact the DeSoto Parish School Board Business Services department immediately at (318) 872-2836.

BOOSTER CLUB / AUXILIARY ORGANIZATIONS DEFINED

A Booster Club / Auxiliary Organization is an organization formed for the purpose of providing financial and/or administrative support for a school related activity such as sports teams, music programs, PTA, etc. These are generally organized and operated by the parents of the students in the supported organizations. Support includes promoting the program, volunteering time, and raising supplemental funds for use by the associations through approved fundraising activities.

FORMATION OF AN AUXILIARY ORGANIZATION

There are two methods for the management of funds for an auxiliary organization: 1) Depositing funds within the school's checking account (referred to as Non-Incorporated organizations), or 2) Establishing a separate legal entity and checking account (referred to as Incorporated organizations).

The simplest way for an auxiliary group to be organized is by establishing a fund account within the school's student activity account. Formation in this manner requires no filing of documents with the State of Louisiana or the Internal Revenue Service. The group's funds are administered by depositing monies with the school bookkeeper and requesting a check be issued for expenses incurred. The school works in concert with the organization's leadership to coordinate efforts and ensure funds are appropriately allocated and expended.

When officers and members decide they would prefer to administer the funds apart from the school bank account, certain legal requirements become necessary. Even though the funds are maintained in a separate bank account, as a matter of public trust, the School Board has a duty to provide reasonable assurance that the funds are administered in an ethical manner. Most of the procedures in this document cover the formation of a separate entity. Online services such as Parent Booster USA may be used as an alternative to completing the legal requirements yourself. More information on the services provided by Parent Booster USA may be found at parentbooster.org. DeSoto Parish School Board doesn't endorse this organization, we are simply providing an example of the type of online services available.

If the organization cannot provide a current IRS 501(c)(3) designation to the DeSoto Parish School Board, it will be considered a regular school support organization and must deposit all funds directly into the designated school activity fund account.

LEGAL REQUIREMENTS

The initial process of organizing as a legal entity requires the filing of the following documents in a timely manner:

- 1) Filing Articles of Incorporation (a walkthrough is available at <https://geauxbiz.sos.la.gov/>)
- 2) Obtaining an Employer Identification Number (EIN) (Form SS-4 available at <http://www.irs.gov/>)
- 3) Application for Federal Tax-Exempt Status (Form 1023 available at <http://www.irs.gov/>)

Every organization exempt from federal income tax under section 501(a) is required to determine the necessity of filing an annual Form 990, Return of Organization Exempt from Income Tax. As of the printing of this document, most small tax-exempt organizations whose annual gross receipts are normally \$50,000 or less can satisfy their annual reporting requirement by electronically submitting form 990-N if they choose not to file Form 990 or Form 990-EZ instead.

ORGANIZATION

Each organization shall develop and maintain bylaws that are reviewed on an annual basis by the club officers. Copies of the organization's bylaws shall be submitted to the Principal at the school the club supports.

The bylaws should contain details regarding the rules of membership. The document should address the method to elect officers. Only active members in good standing shall be permitted to hold office or vote upon any matter of business of the organization. **DeSoto Parish School Board employees shall not serve as officers or have any involvement with receipting or disbursing Auxiliary Organization funds.**

Suggested officers and duties are described below. Officers should be elected on an annual basis. There shall be a limit of two consecutive terms of service for the office of President and Treasurer. The secretary and treasurer shall turn records over to the incoming officers within 30 days of election.

PRESIDENT

- Presides over meetings
- Composes the agenda for all meetings
- Presides over Executive Board (if the group has one)
- Serves as the primary contact for the school principal
- Represents the Auxiliary Organization at meetings outside of the organization
- Selects an officer as the designee to receive bank statements through the mail at their home address (assuming the bank account is outside the school system). This individual shall not be a signer on the account. Upon receipt, the designee should review the activity on the bank statement and cancelled checks for reasonableness. This provides an independent review by an individual not associated with disbursement activities.
- Requests an audit if the need should arise at any time

VICE PRESIDENT

- The vice president assists the president and carries out the president's duties in his or her absence or inability to serve.

SECRETARY

- Retains all records for the organization, including minutes, bylaws, membership list, and committee list as applicable. These should be retained for a period of 5 years for audit purposes.
- Takes minutes at meetings and submits a copy of the minutes to the principal no later than two weeks after each meeting for review and permanent records
- Maintains records of attendance of each member
- Handles all correspondence and sends notice of meetings to membership

TREASURER

- Receives all funds of the organization
- Counts all proceeds and makes deposits in a timely fashion. Two people always count cash, on site where it is collected, sign a tally sheet and deposit funds immediately after counting.
- Presents a current financial report including bank statements, back reconciliations, and financial statements to the officers within 30 days of the previous month end; copies should be available for review by the general membership if requested
- Files current financial reports (including a copy of each monthly bank statement with cancelled checks or check images) at the end of each quarter. Included with this should be a detailed summary of all monies collected and how the funds were disbursed. The disbursement of funds should also show any amount donated directly to the school and the amount and description of any items purchased for the school. This report should be received by the principal by the last day of the month following the quarter end.
- Maintains an accurate and detailed account of all monies received and disbursed.
- Reconciles all bank statements as received and resolves any discrepancies with the bank immediately.
- Files annual IRS Form 990 (or other returns) in a timely manner
- Submits records to Principal and/or auditor upon request.

FINANCIAL INFORMATION/PROCEDURES

• GENERAL INFORMATION

Non-incorporated organizations will deposit funds into the school account into a fund set up specifically for that group. Financial management of those funds will follow the same guidelines as those established for other school funds. See DeSoto Parish School Board School Activity Fund Manual (contact the school).

Incorporated organizations are required to establish a checking account in the name of the organization at a local bank or credit union. The use of an officer's personal name and/or social security number in the name of the account shall be prohibited. Checks shall require the signature and authorization of two club officers. **Due to the two-signature requirement, debit cards associated with the auxiliary organization's bank account are not allowed.** Bank statements shall be reconciled within 30 days of the date of the statement to ensure that possible inaccurate transactions are identified and communicated to the financial institution for correction.

At a minimum, the organization's membership should be provided with a financial statement and bank reconciliation at each meeting. Cash receipts and disbursement reports should be available for review when needed or at the annual audit.

- **CASH RECEIPT PROCEDURES**

All cash collections received by the organization for fees, dues, fund raising, etc. must be deposited upon receipt. Two people always count cash, on site where it is collected, sign a tally sheet and deposit funds immediately after counting.

- **BANK RECONCILIATION**

The reconciliation shall be completed within 30 days of the date of the bank statement. In addition to the reconciliation, the cancelled checks or imaged copies of checks should be reviewed to ensure that the check payee is consistent with the payee identified in the check register and the endorsements on the check are reasonable.

- **DISBURSEMENT OF FUNDS**

A direct payment to a DeSoto Parish School Board employee is not permitted, nor is the purchase of alcoholic beverages. Disbursement documentation shall be completed for all expenditures, regardless of the amount. The appropriate supporting documentation (invoices, receipts, etc.) should then be attached to the disbursement form and filed in check number order. At no time should a check be issued without the appropriate supporting documentation.

All checks shall have at least two signatures. No ATM/Debit withdrawals or point of sale "cash back" or checks payable to "cash" are to be issued.

- **FUND RAISING PROCEDURES**


All auxiliary organization activities and fundraisers are to be approved in advance by the school principal. The DeSoto Parish School Board Report on Fundraising Project form should be used for all fundraising activities (contact the school). All fundraiser forms must be completed within two weeks of the ending date and returned to the principal with all supporting documentation.

Auxiliary Organizations cannot use the school board tax ID number and are not entitled to use the school's tax-exempt status when making purchases. The organization must order merchandise in its own name as it is responsible for the payment of the merchandise. Unless approved in advance by the principal or designee, merchandise ordered cannot be delivered directly to or stored on school premises.

Our students are afforded many unique opportunities to develop and showcase their talents and skills on the playing field and in the classroom. These opportunities are available through the support from auxiliary organizations. We look forward to maintaining a strong relationship with all school auxiliary organizations and extend a generous thank you for the numerous countless hours of dedication to the students of DeSoto Parish Schools.

It is our mission and ultimate goal that our support organizations find these guidelines to be a useful tool towards having a financially sound, orderly organization that is dedicated to enriching the lives of students.

APPROVED:

 7/30/19
Clay Corley, Superintendent Date