

The purpose of this Administrative Rule is to establish requirements and recommendations that will encourage the District's school support organizations to utilize effective, efficient and consistent financial policies, procedures and practices.

Definitions

School Support Organization: a separate nonprofit organization established to support the activities of a District school; such as a PTA, PTO or Booster Club.

Financial Reports: Should consist of a balance sheet, profit and loss statement, and the bank reconciliation and bank statement.

SECTION A

Requirements for all School Support Organizations supporting the activities of a District school

1. Establish and maintain the following minimum policies and practices to operate as a school support organization:
 - a. Appoint/elect officers
 - b. Operate on a Fiscal Year schedule
 - c. Separate Employer Identification Number with the IRS (from the school)
 - d. Articles of Incorporation
 - e. By-laws, to include clause that says if the organization shuts down for any reason, the remaining funds go to the appropriate school
 - f. Bank account in name of organization authorized by the School Support Organization Board
 - g. Register with the SC Secretary of State
 - h. Obtain tax-exempt status with the IRS (booster clubs)
 - i. Maintain paper or electronic files of all records (or both)

2. Establish and maintain the following internal controls with the goal of accountability and transparency:
 - a. The financial policies and procedures should be in writing and readily accessible and available
 - b. Annual adopted budget which is submitted to membership and is readily accessible and available
 - c. Annual financial audits or reviews or at the very least an internal review by people that are not officers; whoever does the audit or review should sign and date
 - d. Ensure adequate segregation of duties among officers

2. Establish and maintain the following internal controls with the goal of accountability and transparency (continued)
 - e. Two signatures on all checks (should consider 3 or 4 authorized signatures on bank account)
 - f. Deposits made timely and no monies maintained at anyone's home or car
 - g. Maintain blank checks in safe and secure location
 - h. Strict rules about original receipts for reimbursements
 - i. Regular inventory counts and reconciliations by at least two people
 - j. Restricted, designated or earmarked funds need to be accounted for in a separate ledger account
 - k. School Support Organization financial transactions versus school transactions should be segregated and accounted for separately
 - l. If credit cards are used, then credit card policies and procedures must be in writing

3. Annual Compliance requirements to operate as a school support organization with a school:
 - a. Submit 990 tax return to the IRS
 - b. Proper filings with the SC Secretary of State
 - c. Requirements of any state or national umbrella organization
 - d. Filings to School Principal or his/her designee for information purposes only:
 - i. 990 tax return
 - ii. Annual Financial Report (as defined above), which includes the year-end bank statement and bank reconciliation
 - iii. Written verification that the school support organization is in good standing with the umbrella organization, if applicable
 - iv. Written verification that school support organization is in good standing with the SC Secretary of State
 - v. Note: if the above information is not provided, in a timely manner, the organization may not be approved to operate with the school and district

SECTION B

District Recommendations for School Support Organizations to Consider

1. District recommendations for basic internal controls with a goal of accountability and transparency
 - a. Have two people present, if possible, for receipting of monies at events, receipts are counted (and reconciled to tickets if a ticketed event) and documented with both people's signatures and dates
 - b. Issue receipts for donations
 - c. Bank account reconciled and reviewed by a knowledgeable second person within 30 days after month end (preparer and reviewer should sign and date the reconciliation)
 - d. Monthly or quarterly financial reports to board officers that is also readily accessible and available upon request

2. Other District Recommendations for School Support Organizations to Consider
 - a. Utilize a financial software package
 - b. Bonding insurance for officers and others who are involved in receipts and disbursements, and otherwise handle monies
 - c. Consider liability insurance
 - d. Consider Directors and Officers insurance
 - e. Make sure officers understand private inurement
 - f. Make sure officers understand restrictions on what resources can be used for
 - g. Consider using Roberts Rules for board meetings
 - h. Establish a finance committee that includes persons with financial knowledge
 - i. School support organization officers and school principals and/or assistant principals attend District's annual school support organization training