

# **CORNWALL-LEBANON SCHOOL DISTRICT ADMINISTRATIVE GUIDELINES FOR RELATIONS WITH SPECIAL INTEREST GROUPS**

Booster Clubs, Parent Teacher groups, Extracurricular Parent groups, and other similar entities provide valuable funding and organizational support for the School District's educational and extracurricular activities. These groups are constantly perceived by the public to be school district-related entities as a result of the organization's frequent interactions with students and school personnel. However, **these organizations are legal entities independent of the Cornwall-Lebanon School District for tax and fiscal purposes.**

The primary focus of these organizations is to raise funds to provide financial support for student extracurricular activities and for educational programs. Funds are raised in the name of the School District and are considered public funds by the community. Therefore, the School District maintains a level of fiscal responsibility and oversight of these organizations. The following guidelines and recommended financial procedures have been established as a result of the School District's oversight responsibilities.

Organizations that provide the below required documents to the School District, shall be included as a "covered entity" under the School District's liability insurance. Bonding of personnel to cover fraud and theft losses is the responsibility of each organization and is highly recommended.

## ADMINISTRATIVE OVERSIGHT AND ORGANIZATIONAL REQUIREMENTS

Building Principals have the authority to regulate all extra-curricular activities of these organizations, including fundraising for both school and auxiliary groups. All auxiliary organizations shall have an "Open Book" policy regarding School District administrative oversight. Each auxiliary organization shall report to the Building Principal to whom they have been assigned.

Those organizations that do not report the following required documents to the appropriate Building Principal will not continue to be formally recognized by the School District. This includes, but is not limited to, the use of a name associated with the school district; the use of school facilities for fundraising activities; and also the inclusion of the organization under the School District's liability insurance coverage.

1. A formal line of communication must be established and maintained between the School District and the auxiliary organizations. Therefore, each organization shall provide the following information to the appropriate Building Principal and submit an updated list annually.
  - Name of Organization
  - Officers' Contact Information (President, Vice-President, Secretary and Treasurer) Including:
    - Full Name and Mailing/Physical Address
    - Phone number and Email address
  - Officers identified having check signing authority
  - A list of scheduled meeting dates and locations for the upcoming school year.

2. Volunteers may be required to provide the District Office with background clearances as mandated by state law based on involvement. Detailed information regarding volunteer requirements and background clearances is available at [www.clsd.k12.pa.us](http://www.clsd.k12.pa.us) under the Community tab called Volunteer Information.
3. Organizations shall operate as an independent, legal entity. Each organization shall provide the following official documents to the appropriate Building Principal. These documents shall also be maintained with the organization's permanent records.
  - Articles of Incorporation, a Constitution, or By-laws
  - Federal Tax Identification Number
  - Internal Revenue Service (IRS) tax exemption determination letter
  - Annual IRS tax exempt filings (Form 990) - due on the 15th day of the fifth month following the end of the organization's taxable year.
4. Organizations shall submit the following financial reports when due. These documents shall also be maintained with the organization's financial records.
  - a. Monthly Treasurer's Report – Due by the 20<sup>th</sup> day of the succeeding month.
    - The Treasurer's Reports should contain the following:
      - Beginning book balance and Ending book balance
      - List of Disbursements for the month
      - Signatures of President and Treasurer on report
    - For July to September period, a quarterly Treasurer's Report may be submitted by the 20<sup>th</sup> of October since there is minimal activity during these months.
    - For the month of June, the annual report for the fiscal year, July 1 through June 30, shall be submitted.
  - b. A copy of the June bank statement(s) including the bank reconciliation by September 1 of each year.
  - c. A statement and report of an annual review of the organization's financial records from a certified public accountant, a fiscally sound appointed committee, or an independent person possessing accounting, financial or business knowledge, who is capable of confirming that the books and finances of the organization have been audited for the prior year.
  - d. Notification of any equipment purchased that will be retained by the District by June 30.
  - e. For Athletic Organizations, the following detailed information is required to be made annually by the School District under Article XVI-C of Act 82 of 2012 - Interscholastic Athletic Opportunities Disclosure. The School District's Athletic Director will request the following information to meet this requirement.
    - Itemized listing of receipts and disbursements for period (*checkbook register and/or detailed breakdown*) – detail amounts provided to athletic teams by: varsity, junior varsity, freshman, 8<sup>th</sup> grade, 7<sup>th</sup> grade, etc. (as applicable).

#### RECOMMENDED FINANCIAL PROCEDURES

The School District recommends that organizations implement and practice the following procedures in an effort to safeguard cash, provide responsible accounting for transactions and expend funds in a prudent, fiduciary manner. The Organization's Officers shall be responsible to

enforce these procedures. Again, bonding of personnel to cover fraud and theft losses is highly recommended and is the responsibility of each group.

1. Obtain and maintain documentation for all cash receipts and disbursements. This includes, but is not limited to:
  - A spreadsheet itemizing monies collected from various sources including the type of payment (cash or check), payer, check number if applicable, amount, reason for payment, etc.
  - Copy of each bank deposit receipt
  - Itemized invoices or receipts for all disbursements

**\*\*Do not net expenditures from cash receipts. In other words, do not pay cash for any type of expenditure. This goes against Item #1 above.\*\***
2. Maintain all bank statements, monthly bank reconciliations and banking documents together. Bank statements should be reconciled monthly by an individual that does not prepare the checks.
3. Two signatures required on all checks. It is highly recommended that there be three authorized signers for each bank account with a minimum of two signatures required for the disbursement (check, withdrawal, etc.). This provides flexibility in obtaining two signatures when one signer is unavailable but also maintains the internal control. **\*\*Never permit signing of blank checks.\*\***
4. Follow the School District's purchasing requirements by obtaining quotes on all significant purchases. This will provide a competitive purchase environment which will assist the organization to obtain the most reasonable, efficient price. **\*\*Building Principal must approve any purchase over \$10,000 prior to purchase.\*\***

#### FUNDRAISING

The School District recognizes the importance of fundraising activities. However, there is a responsibility that comes along with these types of activities. The following steps shall be taken in order for an auxiliary organization to sponsor and run a fundraiser.

1. A written schedule of fundraising activities for the school year shall be submitted to the appropriate Building Principal by October 1 of each year for approval prior to the activities per Board Policy #913-Relations With Special Interest Groups. These schedules are then forwarded to the District's Director of Personnel & Operations for final approval.

Additional fundraising activities or changes to existing approved fundraising activities must be submitted to the Building Principal for subsequent approval. Building Principals will submit all changes or additions to the District's Director of Personnel & Operations for final approval.

2. The Treasurer of the organization should not be the chairperson of a fundraising activity.
3. Merchandise management for ordering, receiving and storing merchandise shall be implemented. This includes, but is not limited to:
  - An inventory control system (procedures) for merchandise purchases and distributions.

- At least two designees for dual control over maintaining and monitoring the inventory.
  - Maintain records of all purchases, distributions including lost/damaged merchandise with any documentation of recovery of losses expected.
4. Sales/Receipts Internal Controls
- Appropriate forms shall be used to itemize and document sales/donation receipts.
  - Maintain appropriate security for cash on hand. Cash receipts shall be made under dual control whenever possible.
  - Deposit all cash receipts into organization's bank account daily or as frequently as possible.
  - Maintain appropriate itemized forms/spreadsheets as backup for each bank deposit.
  - Ensure that all persons handling cash are bonded.
  - Create a summary report of financial activity (receipts and expenditures) at the conclusion of each fundraising event and present the report for approval at the next meeting.
5. Compliance with civil law with respect to lotteries, raffles, etc. is the responsibility of the organization.

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