

# PARENT SUPPORT ORGANIZATIONS

NOVEMBER, 2017

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## GENERAL INFORMATION

- ▶ Parent Support Organizations are established to promote school programs or complement student groups or activities.
- ▶ AL State Department of Education issued a memorandum dated November 8, 2007.

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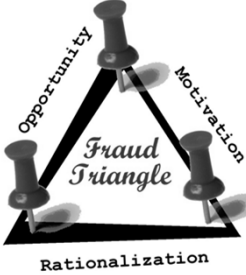
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## GENERAL INFORMATION

- ▶ School fundraising is a \$4.5 billion business.

More than \$1 million a year is stolen from school fundraising groups.




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### PARENT ORGANIZATIONS

- ▶ PTA and PTO are the most common parent organizations in Alabama.
- ▶ Must have separate employer identification number (EIN) and a separate mailing address in order to maintain records outside the control of the school.

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### BOOSTER ORGANIZATIONS

- ▶ Booster organizations formed to support the operations of extra-curricular activities in a variety of ways.
- ▶ Must have a separate EIN and separate mailing address in order to maintain accounts outside the control of the school.

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### NON-PUBLIC VS PUBLIC

- ▶ Parent/Booster Organizations funds earned will be considered Non-public unless:
  - ▶ Both parties mutually assent to the fiduciary control of the principal.
  - ▶ A school employee, who is associated with the activity supported by the booster organization, serves/holds a leadership position in the organization.
  - ▶ A school employee leads fund-raising or maintains the accounting records for the organization.
  - ▶ The organization collects admission to the school function
  - ▶ The organization collects parking fees for the school function.
  - ▶ The organization operates a concession operation on school property at a school function

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### ORGANIZATION

- ▶ Board of Education must approve the formation of all booster/parent support organizations.
- ▶ Upon approval, the organizations should provide the following:
  - ▶ Accounts outside of the school funds
    - ▶ Bylaws and operating procedures; Officer Information form
    - ▶ Mailing Address for organization
    - ▶ Employer Identification Number (EIN), if applicable
    - ▶ Application for Federal Tax Exempt Status 501(c) (3) or (6), if applicable
    - ▶ Proposed Budget
    - ▶ Fidelity Bond
    - ▶ Annual Audit

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### ORGANIZATION

- ▶ Guidelines for parent support organizations financial records maintained on the school books:
  - ▶ Principal should exercise the same legal responsibility
  - ▶ Financials will be audited with local school audits
  - ▶ Support organization will use the same tax exemption as the school board

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### TOP TEN MISTAKES

- ▶ 1. Senior parents running the booster club
- ▶ 2. Isolating a club
- ▶ 3. Conducting consecutive and/or multiple fundraisers
- ▶ 4. Lack of mission and vision statement
- ▶ 5. Lack of communication with past supporters
- ▶ 6. Overstepping boundaries
- ▶ 7. Understanding the role of the organization
- ▶ 8. Keeping the club compliant with state and federal guidelines
- ▶ 9. Lack of policy and procedures
- ▶ 10. Outlining job descriptions and areas of responsibility

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### BY-LAWS

- ▶ The MOST important document  
NO ONE can find.



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### BY-LAWS

- ▶ Consider bylaws as a useful tool that EVOLVES as needs of the group EVOLVES.
- ▶ Helps maintain consistency from year to year.
- ▶ Helps maintain long-term integrity of group from unpredictability of the future.

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### HOW DO BY-LAWS HELP?

- ▶ IT TAKES TWO
  - ▶ COUNTING CASH BY TWO UNRELATED PEOPLE
  - ▶ SIGNING CHECKS
  - ▶ RECONCILING BANK STATEMENTS



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### HOW DO BY-LAWS HELP?

- ▶ 4 Primary Reasons to Have Bylaws
  - ▶ Consistency
  - ▶ Efficiency
  - ▶ Legitimacy
  - ▶ Protection

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### BY-LAWS

- ▶ Every officer should receive a copy of bylaws to file in their officer binder.
- ▶ Each year the Executive Board should review as a group.
- ▶ Current year plans should be compared to the mission statement for the group.
- ▶ Set up bylaws review committee every three years.
- ▶ Hard copies should be filed in officer binders, bookkeeping/Principal's office
- ▶ Post copies of bylaws electronically on website.

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### BY-LAWS

- ▶ Basics:
  - ▶ Purpose
  - ▶ Mission Statement
  - ▶ Policies
  - ▶ Membership
  - ▶ Officers
  - ▶ Meetings
  - ▶ Parliamentary Authority
  - ▶ Dissolution
  - ▶ Revision Process

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### HOW DO BY-LAWS HELP?

- ▶ Your bylaws specify term limits, but the only person willing to be treasurer is the member who has been holding the office.



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### HOW DO BY-LAWS HELP?

- ▶ The executive board decides to stop meeting as a group.



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### HOW DO BY-LAWS HELP?

- ▶ Two members are interested in running for the same office.



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### HOW DO BY-LAWS HELP?

► Your fundraising was under budget this year. How do you make cuts?



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### HOW DO BY-LAWS HELP?

► The vice president never shows up at any PTO meetings or functions.



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### HOW DO BY-LAWS HELP?

► Three people want to share the role of secretary.



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BY-LAWS

- ▶ How good are your by-laws?
- ▶ Are they fair and democratic?
- ▶ Do they distribute the power in your organization in a fair way?
- ▶ Do they allow members enough of a voice in how the organization is run?

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BY-LAWS

- Article I - Name of Organization
- Article II - Purpose of Organization<sup>1</sup>
- Article III - Membership and Dues<sup>2</sup>
  - > Eligibility for Membership<sup>3</sup>
  - > Voting Rights<sup>4</sup>
  - > Termination of Membership
  - > Private Benefit Clause

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BY-LAWS

- ▶ Article IV - Officers
  - > List of Officers and Duties<sup>1</sup>
  - > Terms of Office<sup>2</sup>
  - > Election of Officers<sup>3</sup>
  - > Nominating Committee<sup>4</sup>
  - > Eligibility<sup>5</sup>
  - > Training<sup>6</sup>

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BY-LAWS

▶ Article IV - Officers, continued

- Voting
  - Month of Election
  - Definition of quorum<sup>1</sup>
- Installation
- Transfer of Records<sup>2</sup>
- Termination of Officer<sup>3</sup>
- Vacancies<sup>4</sup>

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BY-LAWS

▶ Article V - Executive Board

- Composition of Executive Board<sup>1</sup>
- Date, Time , and Place of Meetings<sup>2</sup>
- Roles and Responsibilities

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BY-LAWS

▶ Article V - Committees

- Standing (Operational) Committees
  - Membership and Attendance
  - Nominating<sup>1</sup>
  - Fundraising<sup>2</sup>
  - Communications
  - Budget
  - Concessions and Inventories
  - Scholarship
- Special Committees<sup>2</sup>

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**BY-LAWS**

- Article VI - Meetings<sup>1</sup>
  - > Regular Meetings
  - > Special Meetings<sup>2</sup>
  - > Annual Meeting<sup>3</sup>
  - > Date, Time, and Agenda for Meetings<sup>45</sup>
  - > Conduct of Meetings
  - > Adequate Notification
  - > Summary of Proceedings<sup>6</sup>

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**BY-LAWS**

- ▶ Article VII - Finances<sup>1</sup>
  - > Fiscal Year
  - > Budget Committee
  - > Authorization of Expenditures
  - > Carryover Funds<sup>2</sup>
  - > Reserve Funds<sup>3</sup>
  - > Excess Funds<sup>4</sup> (amount to be voted on by general membership)
  - > Suspected Fraud<sup>5</sup>

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**BY-LAWS**

- ▶ Article VIII - Amendment Procedure<sup>1</sup>
  - > Amendment Proposal (Who?)
  - > Amendment Proposal (How?)
  - > Notification Requirement
- ▶ Article IX - Dissolution<sup>2</sup>
  - > Distribution of Excess Funds
- ▶ Article X - Parliamentary Authority (typically Robert's Rules of Order)<sup>3</sup>

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ROBERTS RULES OF ORDER

- ▶BY-LAWS
- ▶QUORUM
- ▶MOTIONS
- ▶VOTING
- ▶ADJOURNMENT

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ROBERTS RULES OF ORDER 101

- ▶ Start meeting with an agenda and follow in order
- ▶ Approve the minutes
- ▶ Bylaws (Be sure to have a copy on hand)
- ▶ Hear Treasurer's report (no vote needed)
- ▶ Committee reports as needed
- ▶ Old business (go through business items one by one)
- ▶ New business
- ▶ Adjournment

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NON-COMPLIANCE

- Strong controls allow for accountability to students, parents, employees, taxpayers, bondholders, vendors and regulatory bodies
- An *Acknowledgement of Non-Compliance Form* will be completed by the bookkeeper when a policy or procedure has not been properly followed
- Upon written request, the Board of Education is required to disclose financial records under The Freedom of Information Act. Because no one organization is immune from public scrutiny, it is important that we remain in compliance with all legislation, regulations and standards to ensure the accuracy and completeness of our records.

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**CONSEQUENCES**

- ▶ All receipts become public funds under the control of the Principal
- ▶ The Superintendent and/or Board have the authority to revoke an organizations ability to conduct activities in the district

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**RESOURCES/ACKNOWLEDGEMENTS**

- ▶ PTO TODAY.COM
- ▶ SUPPORT GUIDELINES AND PROCEDURES/2015
- ▶ PARENTBOOSTER.ORG
- ▶ AL STATE DEPARTMENT OF ED; MEMORANDUM, NOVEMBER 8, 2007

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