

## **PARENT ORGANIZATIONS AND SCHOOL SUPPORT GROUPS**

**9.10+**

The School Board of Santa Rosa County supports and endorses the formation and operation of Outside Support Organizations (OSO) such as booster clubs and parent teacher organizations.

- (1) In order to operate in support of a Santa Rosa County School District school, Outside Support Organizations must submit to the following oversight and financial considerations:
  - A. The Principal, or designee, at the school sponsoring the OSO shall be responsible for monitoring the organizations and shall periodically review the organization's financial statements, treasurer's report, and minutes.
  - B. Each OSO will provide for an annual audit by a third party to be presented to the principal of their sponsoring school by September 1<sup>st</sup> of each year. This audit will be reviewed and retained by the principal.
  - C. District employees shall not be signatories on any account for OSO.
- (2) Outside Support Organizations shall be independent organizations, shall be formed to support the curricular and/or extra-curricular activities of district schools, and shall not be agents or representatives of the Santa Rosa County School District.
- (3) As approved by sponsoring school's Principal, Outside Support Organizations may support one or more schools, may use school facilities and resources, and may solicit funds from the public using a district school's name, mascot, or trademark.
- (4) Prior to purchasing, constructing, renovating, or installing any building, machinery or utility system component on any campus, each Outside Support Organization shall request and receive permission from the Assistant Superintendent of Administrative Services and the school principal.

- (5) The Superintendent shall develop guidelines for the operation of Outside Support Organizations. Input from interested parties will be included in the development of these guidelines. The guidelines will include the minimum operating and reporting requirements of an OSO, along with procedures to consider how actions of the OSO may affect equity for all students. After development, the guidelines will be presented to the School Board for approval and then published as a manual on the school district website. Contact information for parties wishing to report violations or grieve any portion of the guidelines will be included in the manual.

**STATUTORY AUTHORITY:**

**1001.41, 1001.42, F.S.**

**LAW(S) IMPLEMENTED:**

**1001.32, 1001.43, 1001.453, 1001.54, F.S.**

**HISTORY:**

**ADOPTED: 07/01/2002  
REVISED :06/09/2016**

## **PROHIBITING SEXUAL AND OTHER FORMS OF HARASSMENT**

**2.70\***

### **I. Policy Against Sexual Harassment or Other Forms of Harassment Prohibited by Law**

The School Board desires to maintain an academic and work environment in which all employees, volunteers, vendors, and students are treated with respect and dignity. A vital element of this atmosphere is the Board's commitment to equal opportunities and the prohibition of discriminatory practices. The Board's prohibition against discriminatory practices includes prohibitions against sexual harassment, or any other form of harassment based upon a person's membership in a protected class and specifically prohibited by applicable state or federal law. The School Board forbids sexual harassment, or any other form of illegal harassment, of any employee, student, volunteer or visitor. The Board will not tolerate sexual harassment, or any other form of illegal harassment by any of its employees, students, volunteers or agents.

The prohibition against sexual and other forms of illegal harassment shall also apply to non-employee volunteers who work subject to the control of school authorities, and to all vendors or service providers who have access to School Board facilities.

### **II. EEO Officers**

- A. Students and Parents:  
Equal Educational Opportunity  
Assistant Superintendent for Curriculum, Instruction, and Assessment  
5086 Canal Street  
Milton, Florida 32570  
(850) 983-5040
- B. Employees, Volunteers, Others:  
Equal Employment Opportunity  
Assistant Superintendent for Human Resources  
5086 Canal Street  
Milton, Florida 32570  
(850) 983-5030

### **III. Definition of Sexual Harassment**

Prohibited sexual harassment includes, but is not limited to, requests for sexual favors, and other verbal, visual or physical conduct of a sexual nature when

1. Submission to the conduct is explicitly or implicitly made a term or condition of an individual's employment, academic status, or progress.
2. Submission to or rejection of the conduct by an individual is used as the basis for employment or academic decisions affecting the individual.
3. The conduct has the purpose or effect of having a negative impact on the individual's academic performance or employment, unreasonably interfering with the individual's education or employment, or creating an intimidating, hostile, or offensive educational or employment environment.
4. Submission to or rejection of the conduct by the individual is used as the basis for any decision affecting the individual regarding any term or condition of employment, employment or academic benefits, or services, honors, programs, or activities available at or through the school.

Types of conduct which are prohibited in the District and which may constitute sexual harassment include, but are not limited to

1. Graphic verbal comments about an individual's body or appearance.
2. Sexual jokes, notes, stories, drawings, pictures or gestures.
3. Sexual slurs, leering, threats, abusive words, derogatory comments or sexually degrading descriptions.
4. Unwelcome sexual flirtations or propositions for sexual activity or unwelcome demands for sexual favors, including but not limited to repeated unwelcome requests for dates.
5. Spreading sexual rumors.
6. Touching an individual's body or clothes (including one's own) in a sexual way, including, but not limited to, grabbing, brushing against, patting, pinching, bumping, rubbing, kissing, and fondling.
7. Cornering or blocking normal movements.

8. Displaying sexually suggestive drawings, pictures, written materials, and objects in the educational environment.

#### IV. Definition of Other Forms of Prohibited Harassment

Illegal harassment on the basis of any other characteristic protected by state or federal law is strictly prohibited. This includes verbal or physical conduct that denigrates or shows hostility or aversion toward an individual on the basis of race, color, religion, gender, age, ethnicity, national origin, marital status, disability, political or religious beliefs, national or ethnic origin, or genetic information and that

1. Has the purpose or effect of creating an intimidating, hostile or offensive work or academic environment;
2. Has the purpose or effect of interfering with an individual's work or academic performance; or
3. Otherwise adversely affects an individual's employment or academic performance.

Examples of prohibited actions, which may constitute harassment include, but are not limited to, the following:

1. Epithets, slurs or negative stereotyping;
2. Threatening, intimidating or hostile acts, such as stalking; or
3. Written or graphic material that denigrates or shows hostility or aversion toward an individual or group and that is placed on walls or elsewhere on the school or District office premises or circulated in the workplace or academic environment.

#### V. Retaliation Prohibited

Any act of retaliation against an individual who files a complaint alleging a violation of the District's antidiscrimination policy and/or sexual or illegal harassment policy or who participates in the investigation of a discrimination complaint is prohibited.

Retaliation may include, but is not limited to, any form of intimidation, reprisal or harassment based upon participation in the investigation if, or filing a complaint of, discrimination.

#### VI. Procedures for Filing Complaint of Discrimination, Sexual Harassment, or Other Form of Illegal Harassment

#### **A. Procedures for Filing Complaints**

1. Any person (or parent/guardian on behalf of a minor student) who believes that he or she has been discriminated against, or placed in a hostile environment on the basis of race, color, religion, gender, age, ethnicity, national origin, marital status, disability, political or religious beliefs, national or ethnic origin, by an employee, volunteer, agent or student of the School District should file a written or oral complaint to the appropriate EEO Officer named above. To the extent possible, the complaint should set forth a description of the alleged discriminatory actions/harassment, the time frame in which the alleged discrimination occurred, the person or persons involved in the alleged discriminatory actions, and any witnesses or other evidence relevant to the allegations in the complaint.
2. If the complaint is against the District's EEO Officer, the Superintendent, or other member of the School Board, the complaint may be filed with the School Board Attorney.

#### **B. Penalties for Confirmed Discrimination or Harassment**

1. Student - A substantiated allegation of discrimination or harassment against a student shall subject that student to disciplinary action consistent with the *Code of Student Conduct*.
2. Employee or Volunteer - A substantiated allegation of discrimination or harassment against an employee may result in disciplinary actions including termination and referral to appropriate law enforcement authorities. A volunteer shall be removed from service and a referral may be made to appropriate law enforcement authorities.

#### **C. Limited Exemption from Public Records Act and Notification of Parents of Minors**

To the extent possible, complaints will be treated as confidential and in accordance with Florida Statutes and the Family Educational Rights and Privacy Act (FERPA). Limited disclosure may be necessary to complete a thorough investigation as described above. The District's obligation to investigation and take corrective action may supersede an individual's right to privacy

**STATUTORY AUTHORITY:** 120.54, 1001.41, 1001.43, 1012.23, F.S.

**LAW(S) IMPLEMENTED:** 112.51, 119.07, 760.01 *et seq.*,  
1000.05, 1000.21, 1001.43, 1012.22, F.S.  
34 CFR 99, 34 CFR 108, 34 CFR 200.43(c),  
P.L. 110-233

**STATE BOARD OF EDUCATION RULE(S):** 6A-19.001 *et seq.*

**HISTORY:** **ADOPTED:** 07/01/2002  
**REVISION DATE(S):** 10/23/2003; 02/22/2007; 10/25/2007; 01/22/2009  
06/12/2012; 03/10/2016, 06/09/2016  
**FORMERLY:** 2.291

## **PROHIBITING DISCRIMINATION**

**2.72\***

### **I. Policy Against Discrimination**

- A. No person shall, on the basis of race, color, religion, gender, age, marital status, sexual orientation, pregnancy, disability, political or religious beliefs, national or ethnic origin, or genetic information, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity, or in any employment conditions or practices conducted by this School District, except as provided by law.
- B. The School Board shall comply with all state and federal laws, which prohibit discrimination on the basis of race, color, religion, gender, age, marital status, sexual orientation, pregnancy, disability, political or religious beliefs, national or ethnic origin, or genetic information, and are designed to protect the civil rights of applicants, employees, and/or students, or other persons or organizations protected by applicable law.
- C. The School Board shall admit students to District schools, programs, and classes without regard of race, color, religion, gender, age, marital status, sexual orientation, pregnancy, disability, political or religious beliefs, national or ethnic origin, or genetic information.

- D. The prohibition against discrimination shall also apply to non-employee volunteers who work subject to the control of school authorities, and to all vendors or service providers who have access to School Board facilities.

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- B. Employees, Volunteers, Others:  
Equal Employment Opportunity  
Assistant Superintendent for Human Resources  
5086 Canal Street  
Milton, Florida 32570  
(850) 983-5030

## III. Grievance Procedures

### A. Procedures for Filing Complaints

1. Any person (or parent/guardian on behalf of a minor student) who believes that he or she has been discriminated against on the basis of race, color, religion, gender, age, ethnicity, national origin, marital status, disability, political or religious beliefs, national or ethnic origin, by an employee, volunteer, agent or student of the School District should within sixty (60) days of alleged occurrence file a written or oral complaint with the appropriate EEO Officer named above. The complaint should set forth a description of the alleged discriminatory actions, the time frame in which the alleged discrimination occurred, the person or persons involved in the alleged discriminatory actions, and any witnesses or other evidence relevant to the allegations in the complaint.



2. If the complaint is against one of the coordinators named above, the Superintendent, or other member of the School Board, the complaint may be filed with the School Board Attorney.

**B. Retaliation Prohibited**

1. Any act of retaliation against an individual who files a complaint alleging a violation of the District's antidiscrimination policy and/or sexual or illegal harassment policy or who participates in the investigation of a discrimination complaint is prohibited.
2. Retaliation may include, but is not limited to, any form of intimidation, reprisal or harassment based upon participation in the investigation if, or filing a complaint of, discrimination.

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34 CFR 99, 34 CFR 108, 34 CFR 200.43(c),  
P.L. 110-233**

**STATE BOARD OF EDUCATION RULE(S):**

**6A-19.001 *et seq.***

**HISTORY:**

**ADOPTED: 06/09/2016  
FORMERLY contained in 2.70\***

Pending School Board Approval

# OUTSIDE SUPPORT ORGANIZATION MANUAL

Santa Rosa County  
School District



*"A Tradition of Excellence"*

research  
boards  
volunteers  
charities  
NPO  
grants  
charitable  
nonprofit  
management

### Outside Support Organizations

The School District encourages citizens to form Outside Support Organizations (OSO). These organizations support individual schools or activities at a school. Examples of such organizations include the PTO/PTSO and booster clubs.

According to the Financial and Program Cost Accounting and Reporting for Florida Schools ("Redbook"), "All organizations of the school, or operating in the name of the school, which obtain moneys from the public shall be accountable to the board for receipt and expenditure of those funds in the manner prescribed by the board. If authorized by school board rule, a school based direct support organization as authorized by Section 1001.453, F.S. may have all financial transactions accounted for in the school internal funds.

There are two financial record keeping environments allowed in the school district. They are:

1. Organizations which financial records are maintained by the school (all money deposited in the school internal fund accounts).
2. Organizations which maintain their own financial records (have an outside bank account). These organizations **must** be incorporated and are known as Outside Support Organizations or OSO's. Once incorporated, the State of Florida considers these organizations the same as any other incorporated entity, not parent volunteers.

Our booster organizations are a vital part of our athletic and extracurricular programs. The funds provided by our booster organizations are to support and enhance the athletic or extracurricular program. A booster organization's major function is to support and raise funds for the various athletic and extracurricular programs. Booster organizations are not charged with making decisions that affect the operation of the sport area or activity. Decisions concerning the operation of the sport area or activity are **solely** the responsibility of the coach/sponsor under the authority of the principal and athletic director. Directors (Athletic, Band, and Choral) of each school have complete authorization of conduct, supervision, and management of all booster/parent support groups in their respective areas. (Directors report directly to the Principal or his/her designee).

**Outside Support Organizations may not require a fee for participation in an extracurricular activity.** The IRS prohibits tax-exempt organizations from requiring people to participate in fundraisers. Likewise, Booster organizations **may not** require an amount be "donated" in lieu of participating in the fundraiser. Students and parents may choose whether or not to participate in a fundraiser and may choose whether or not to donate to the organization. Furthermore, if a person decides not to participate, that person cannot be excluded from having the opportunity to benefit from the fundraiser and cannot be penalized for choosing not to participate in the fundraiser. Booster organizations/support groups/coaches may encourage participation in fundraising activities but not make it mandatory for participation in an extracurricular activity.

It is the principal's responsibility to be the liaison between the school board and the outside support organization in order to ensure the optimum cooperation for the good of the student body and equity among all programs.

Title IX is a federal law enacted in 1972 which protects individuals in education programs or activities from discrimination based on sex. It states that *"No person in the United States shall on the basis of sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any educational program or activity receiving federal financial assistance."*

Title IX applies to all aspects of education and related programs, not just athletics. It requires that equal opportunities be provided for members of both sexes. It does not require that each team receive exactly the

same services and supplies, but rather that the male and female programs, receive comparable levels of service, facilities, supplies, etc.

Since booster organizations funding and activities are included in the analysis of the school district's compliance with Title IX, booster organizations shall have an awareness of the law and the district's requirement for compliance.

The Superintendent authorizes Principals to give written permission to OSOs to use the name, logo, mascot or trademark of their school, as part of the OSO's name and in its fundraising or other activities. The Principal shall give written permission annually (by signing completed registration form), and maintain a list of authorized OSOs. To assure proper accounting of funds and to protect volunteers in the OSO, the OSO agrees to comply with the provisions of this policy.

If an OSO fails to comply with the terms of school board policy 9.10, the principal may revoke the authorization of the OSO to use the school's name, logo, mascot or trademark.

All OSO activities shall be approved in writing, in advance, by the Principal or designee (fundraising activity form). These activities shall be beneficial to students, parents, volunteers, employees or the school, and shall not conflict with programs administered by the School District. It is understood that OSO's may have fundraising projects or activities that have not been planned prior to submission of the registration form due on August 1<sup>st</sup> each year. In this instance, the OSO must follow the policies in these guidelines to be granted permission to conduct the fundraising project/activity.

When an OSO conducts a fundraiser, it must be clearly defined as an OSO fundraiser and not that of the school.

**The OSO must secure its own Federal ID number. The OSO may not use the school board's sale tax exemption number or any other number assigned to the school board in accordance with state and federal law.**

#### **INCORPORATED OUTSIDE SUPPORT ORGANIZATION REQUIREMENTS**

It is recommended that all OSO's be incorporated under Florida Statutes as a not-for-profit corporation. Most not-for-profit corporations are 501(c)(3) corporations, which means they are formed for religious, charitable, scientific, literary, or educational purposes and are eligible for federal and state tax exemptions.

##### **To create a 501(c)(3) tax-exempt organization;**

1. Form a Florida corporation- <http://form.sunbiz.org/pdf/cr2e006.pdf>
2. Apply for tax-exempt status from the IRS and the State of Florida- <https://www.irs.gov/charities-non-profits/application-for-recognition-of-exemption>

An OSO that is **incorporated** as a not-for-profit corporation under Florida law OR as a 501(c)(3) corporation shall comply with the following requirements:

1. All officers of the OSO shall be registered volunteers with the School District, and all members are encouraged to become registered volunteers.

2. It is recommended that the OSO use a fiscal year which begins July 1 and ends June 30.

At the beginning of each school year the principal is to receive the following information from each of the outside support organizations:

- Complete Registration form
- Auditable financial statements with detailed financial transaction backup. The financial statements will be reviewed by individuals other than the signatories.
- Documentation of liability insurance coverage
- Copy of the proposed budget and possible fundraising projects/activities
- Copy of current bylaws
- Copies of all W 2's and 1099 miscellaneous income reports filed to the IRS.

The OSO is to have a single bank account

- Two signatures are required on all OSO checks
- Only elected officials may be signatories
- Persons authorized as signatories may not be related nor live in the same house
- Bank statements must be sent to the school's address
- A school board employee may not be authorized to sign checks drawn on the bank account of an OSO operating at the school.

Outside Support Organizations are not legal components of the school district. **Each organization which chooses to maintain an outside bank account must have its own tax identification number and is directly responsible for compliance with IRS and state reporting and disclosure requirements.** Once incorporated, the State of Florida and the IRS consider the organization the same as any other incorporated entity.

There shall be a clear delineation between the school and the OSO with respect to internal controls, custody of money and assumption of financial liabilities.

The OSO shall maintain active status with the Florida Department of State and provide the Principal annually with a copy of the OSO's Uniform Business Report at the beginning of each school year.

While on duty, school board employees cannot handle money that is collected for a fundraising activity of an OSO at the school in which they are employed during normal working hours. Normal working hours also includes hours worked and paid by a supplement.

#### **UNINCORPORATED OSO REQUIREMENTS**

An **unincorporated** OSO, as pursuant to the Florida Statutes guidelines, shall **not** maintain a separate bank account and shall deposit all proceeds from its activities into the school's internal funds account.

#### **IRS Form 1099**

Organizations are required by law to prepare and file IRS form 1099 for payments greater than \$600 to individuals, partnerships, sole proprietorships, or companies for services provided as independent contractors.

#### **Financial Enhancement**

No employees of the School Board of Santa Rosa County may accept, either directly or indirectly any gift, donation, emolument, gratuity, or favor that has any substantial economic value as measured by its nature that could affect

his/her impartiality or judgment in performing his/her duties or services as an employee. **All payments by outside support organizations to school board employees must be approved in advance by the school principal.**

#### **Construction of Facilities**

Any facility that is to be built, expanded, or altered must receive the approval of the Assistant Superintendent of Administrative Services and the School Principal.

#### **Purchase of equipment and donations**

Outside Support Organizations exist for the sole purpose of supporting a specific sport, club or activity. The support may be fundraising or assisting a coach/sponsor. Outside Support Organizations do not have control over the administration of a sport, club or activity that belongs to the school. Donations (money, equipment, etc.) offered by Outside Support Organizations must be approved by the Principal and Superintendent. Donations that are approved and accepted become property of the Santa Rosa County School Board.

- A. The Principal or his/her designee will complete the Approval of Service/Materials Donated form. This form will be sent to the Superintendent for signature. Upon approval by the Superintendent the Principal may accept the donation.
- B. The Superintendent will send a copy of the Approval of Service/Materials Donated form to the Internal Accounts Auditor and the Supervisor of Property Records. The Supervisor of Property Records will place on inventory any donations of tangible property in excess of \$1,000, all furniture, computer equipment, and fire extinguishers, regardless of price.

# Resources

Recommended Accounting/Organizational Procedures Organizational Audit

OSO Checklist

Administrator Checklist

School Board Policies

2.70- Prohibiting Sexual and Other Forms of Harassment

[https://www.santarosa.k12.fl.us/policy/policy2\\_70.pdf](https://www.santarosa.k12.fl.us/policy/policy2_70.pdf)

2.72- Prohibiting Discrimination

[https://www.santarosa.k12.fl.us/policy/policy2\\_72.pdf](https://www.santarosa.k12.fl.us/policy/policy2_72.pdf)

9.10- Parent Organizations and School Support Groups

[https://www.santarosa.k12.fl.us/policy/policy9\\_10.pdf](https://www.santarosa.k12.fl.us/policy/policy9_10.pdf)

School Volunteer Application Form-

<https://www.santarosa.k12.fl.us/parents/vol/VolHandbook.pdf>

Fundraising Activity Form- Principal permission

[https://www.santarosa.k12.fl.us/finance/pdf/Internal\\_Funds/FundraisingRequestForm.pdf](https://www.santarosa.k12.fl.us/finance/pdf/Internal_Funds/FundraisingRequestForm.pdf)

Instructions to file for and become a Florida Corporation Not For Profit

<http://form.sunbiz.org/pdf/cr2e006.pdf>

Application Form & Instructions for an Employer Identification Number from IRS

<https://www.irs.gov/uac/form-ss-4-application-for-employer-identification-number-ein>

Application Form & Instructions for Recognition of Exemption under Section 501 © (3)

<https://www.irs.gov/charities-non-profits/application-for-recognition-of-exemption>

Application Form & Instructions for Florida Sales Tax Exemption

[http://dor.myflorida.com/Forms\\_library/current/dr5.pdf](http://dor.myflorida.com/Forms_library/current/dr5.pdf)

Booster Club Resource

Parent Booster USA

<https://parentbooster.org/>

Email is [info@parentbooster.org](mailto:info@parentbooster.org), and telephone number is 866-936-6209.



Santa Rosa County School District Technical Assistance Notes  
(Non-authoritative)  
Outside Support Organizations  
Recommended Accounting/Organizational Procedures

The treasurer is the authorized custodian, elected by the members, to have charge of the funds of the Outside Support Organization or OSO. The treasurer receives and disburses all monies as prescribed in the bylaws of the OSO. The treasurer sees that all authorized bills are paid promptly, that revenues are accurately recorded, deposits are timely made and a financial accounting is given at regular intervals or as requested by the officers of the OSO. Full and open disclosure of financial activity of the OSO aids in maintaining the confidence of its membership in the management of the OSO.

It is important that the treasurer maintains accurate records. Adequate and accurate accounting records offer added assurance that the financial activities of the OSO are properly accounted for and provides safeguards for those entrusted with funds of the organization should questions arise. Generally accepted accounting principles and sound business practices should be followed when keeping financial records to assure members of the OSO of the integrity of financial operations and accounting records.

Descriptions of the accounting records and instructions outline below are intended primarily for use by the treasurer of the OSO. The records and procedures described below are not mandatory but offered only as a guide. In many instances, modification of these procedures may be necessary in order to meet the needs of the organization. However, the procedures and forms presented are intended to provide the basic accounting framework for OSO's to follow.

Most components of a basic accounting system and related controls may also be found in several accounting software applications currently on the market. Many accounting programs (software) widely used today provide not only a user friendly means of accounting for organizational funds, but also possess the capability to provide the officers, directors, and general membership of the organization with useful information (reports) in a variety of formats, in a timely manner. Whether automated or manual records are used, receipt and expenditure classifications should be adequate to provide the organization with a minimum breakdown of each by type and category. Additional breakdown may be required depending on the size and complexity of the OSO.

#### **Basic Ledgers/Journals**

##### **Receipts Ledger**

This is a listing of the monies received, recorded by receipt number and classified by the "source", e.g., coupon book fundraiser, membership dues, concessions, t-shirt sales, etc.

All money receipted should be substantiated by **pre-numbered receipts, tickets or other auditable records. Pre-numbered receipts are an added control that increases** the confidence of the OSO's membership and provides a degree of protection for its treasurer. We strongly **recommend the use of pre-numbered receipts. Other items recorded in the receipts ledger include credit items** appearing on the bank statement (e.g. bank, interest, etc).

## General Information-Receipts

Receipts books should be maintained by the secretary and issued to the treasurer as needed. **Cash received from individuals and activities should be recorded with pre-numbered receipts acknowledging initial receipt of the monies and signed by the treasurer.**

- Cash collections should be verified by two or more persons.
- All cash should be recorded promptly when received
- Checks received for deposit should be stamped "For Deposit Only" when they are received.
- Deposits should be made promptly and intact.
- Personal checks should not be cashed using funds received for deposit.
- Cash receipts from fund-raising activities should be turned in promptly. Two individuals should count receipts.
- Records should be maintained, including all receipts, receipt books and other numbered forms used to acknowledge the receipt of cash filed chronologically or by receipt numbers when used.
- All copies of voided receipts should be retained for audit.

**This is a listing of all payments made and recorded by "purpose", "function", or "item" (e.g. repairs, equipment, food, awards, fundraising, etc.) recorded by date and/or check number order. Automated systems permit multiple levels of classification and are very efficient in the manner in which they can capture this information. If using a manual system, disbursements may be categorized in more than one way but may require multiple postings to accomplish this. All other charges (e.g. bank service charges, check/deposit slip charges, return check fees, etc.) should also be recorded here.**

## General Information- Disbursements

- Expenditures should be approved and paid in accordance with provisions of the OSO's bylaws.
- Cash expenditures should not be made except through a properly established petty cash fund.
- Checks should be completely filled out prior to signature.
- Checks should require two signatures (any two officers of OSO).
- Voided checks should be retained and have the signature cut off.
- Expenditures should be charged to the account title indicating the purpose of the expenditure.
- Controls should be in place to prevent expenditures in excess of available funds.
- Timely payments should be made on all purchases billed to the OSO.
- Purchases of items to be donated to the district or school must be appropriate and should have the prior approval of the school principal
- Original invoices should be on file to support every expenditure.

## General (Control) Ledger

Information contained in control ledgers tracks expenditures and receipts for major categories used by the OSO (e.g. regular operations, student accounts, trip accounts, etc.) in order to keep up with beginning balances, total receipts and expenditures, and ending balances in the funds. These account balances carry forward from year to year.

### Subsidiary Control Ledger (if necessary)

These ledgers are used to keep track of balances in more detail than in the typical control ledger (e.g. student account balances.) Balances listed here should agree with those in the major categories found in the "control ledger." If subsidiary ledgers are used to track revenues and expenditures by type (e.g. dues, fundraisers, travel, etc.), then these ledgers start with a zero balance each year.

### **Depository Ledger/Register**

This is a record of all bank transactions similar to a checkbook register by may be used to post summarized entries. This would include deposits made, check drawn, returned checks, change funds, re-deposits, etc. Also include additional columns here to account for any investment accounts maintained by the organization (CD's, savings, money market, etc.). Small OSO's may use the check book register and do not need a depository ledger.

### **Bank Reconciliation**

The bank reconciliation should be performed each month that reconcile the balance shown on the bank statement to the amount carried in the depository ledger/register and/or checkbook register. This balance should also agree with amounts presented in the treasurer's report and the accounting ledgers for that period. Preferably, someone other than the treasurer should perform the bank reconciliation, and all items should be reconciled. The reconciliation should be filed with the treasurer's records and maintained for audit.

### **Organizational Budget**

Budgets should be established to control and monitor the financial operations of the organization. The budget is an outline of estimated annual income and expenses taking into consideration the projected goals and planned activities, as well as the financial needs to achieve these. The budget should be approved by the board of directors, if not the entire membership of the organization, and should be presented at the first meeting each year. Amendments may be made periodically as warranted and should also be approved by the board of directors.

### **Bylaws**

OSO's should operate under a set of bylaws. These are official rules/policies of the organization, and give its officers and directors authority and direction in running the daily operations of the organization. They should define each officer and director position, their duties, authority, terms of office and method of election. Bylaws state the purpose of the organization and requirements for membership. Bylaws should identify and define the "executive board" or board of directors and indicate their duties, authority granted to them, and requirements to meet. Bylaws should state minimum requirements for meetings, define a quorum, and state what rules of order meetings should follow. Bylaws and changes made to the bylaws should be submitted to the OSO's membership for review and approval with such clearly identified in the minutes of those meetings. Notice of proposed changes to bylaws is normally given at least one month in advance of the vote. The final approved version of the bylaws should be signed and dated at minimum by the current president and secretary of the organization with all future changes handled in the same manner. Official copies of the most current bylaws should be maintained by the secretary with the minutes of the OSO and passed on to the succeeding secretary. **A current copy of the current bylaws should be issued to each member and/or copies should be made available to its members at each meeting.**

### **Minimum Reporting**

The bylaws should require that the treasurer report regularly to the OSO's membership. The treasurer should keep an accurate and detailed accounting of all monies received and paid out. Reports should be submitted at regular meetings (usually monthly) of the OSO; indicating the total balance on hand at the beginning of the period covered by the report, the separate amounts credited to the different funds, other receipts, itemized disbursements, balance on hand of each fund, and the total balance on hand at the end of the period reported. At the close of the organization's fiscal year (to be stated in the bylaws), the treasurer should close the financial records and prepare an **annual financial report covering the entire fiscal year. The form of the treasurer's report may vary.**

### **Physical Inventories, Fixed Assets & Records Retention**

Persons responsible for resale items should maintain adequate physical safeguards over those items. Periodic inventories should be conducted and reconciled to items purchased and sold. Records of equipment purchased with club funds should be maintained in a permanent log by the club secretary or **officer and passed on to each successive secretary. Periodic inventories of those equipment items should be conducted to verify their existence.** Accounting records, ledgers, bank statements, documentation of receipts, and **expenses, official minutes, treasurer's reports, etc., should be maintained for several (we recommend five (5) years).** Articles of incorporation and bylaws should be kept permanently.

### **Annual Financial Audit**

The purpose of an audit is to certify the accuracy of the books and records of the treasurer, and to assure the membership that the organization's resources are being used in accordance with the bylaws of the OSO. The bylaws of the organization should indicate when an audit is to be performed and when it should be presented to the membership. The audit involves following financial transactions through records to assure that receipts have been properly accounted for and expenditures were made as authorized in the minutes and in conformity with bylaws, standing rules, and budget limitations. The audit should be conducted at least once every year and whenever a financial officer leaves or when requested by the membership or board of directors. The audit should be conducted by an external CPA or by a committee of members defined in the bylaws of the club.

**Santa Rosa County School District**  
**Technical Assistance Notes (non-authoritative)**  
**Outside Support Organizations**  
**THE ORGANIZATIONAL AUDIT**

Auditing involves following financial transactions through accounting records to provide reasonable but not absolute assurance that revenues have been properly accounted for and expenditures were adequately documented, expended as authorized in the minutes of the organization and in conformity with organizational bylaws, standing rules and budget limitations. The term *audit* is used to define a financial review may be used interchangeably. An audit is defined by the American Institute of Certified Public Accountants refers to a financial statement audit and, if performed, shall meet the requirements of an audit as defined herein.

Organizational bylaws should require an annual audit; indicate when the audit is to be conducted ~~and when the audit is to be conducted~~ and when it should be reported to the club's membership. An audit should also be performed whenever the financial officer (treasurer) leaves or when requested by a vote of the membership or board of directors.

#### **The Purpose of an Audit**

Financial records should be put in order for the audit immediately following the end of the fiscal year, and **before the treasurer's term of office expires. All bills owed should be paid and any revenues received** should be receipted, recorded and deposited. The final end-of-year bank reconciliation should be performed and a year-to-date treasurer's report should be produced. No transactions should be recorded by the outgoing treasurer once the books are closed at year-end.

The treasurer and secretary should prepare the following items for audit:

- Original copy of Articles of Incorporation
- Current copy of bylaws
- Copy of the prior year's audit
- Signed minutes of all Board of Directors and General Membership meetings
- Bank statements for the period being audited for the checking and any investment accounts
- **The last/current tax return for the organization**
- Copies of signature cards for all bank accounts to verify that current/appropriate signers are listed
- Checkbook register and canceled checks
- Bank statements and deposit receipts
- Treasurer's books and/or ledgers
- The periodic and annual financial reports (treasurer's reports)
- Itemized statements and receipts for paid bills/invoices
- Check requests if used
- Copies of the adopted budget, as well as any amendments that were approved during the year

## Preliminary Work

Read the Articles of Incorporation, bylaws, minutes of the meetings, and review the treasurer's monthly and annual financial reports, for the purpose of determining whether the organization abided by and **followed its written rules**.  
i.e.;

- Were expenditure limits of officers adhered to?
- Were required expenditures (large) duly voted on?
- Were required meetings held and minutes kept and subsequently submitted to the membership for approval?
- Were periodic treasurer's reports submitted to the membership and accepted?

Review the prior year audit report:

- **For findings that required corrective actions**
- **To determine whether any audit adjustments were recommended**
- Verify that audited ending balances were carried forward to the current year

## Audit Procedure

### PERFORM THE YEAR END BANK RECONCILIATION:

- Verify or confirm the bank reconciliation was performed by the treasurer,
- Make sure the **ending figures on the treasurer's report or final year-to-date financial statement agrees** (reconciles) to the end of the year bank statement.

### For a test month:

- Determine that voided checks were spoiled and held for audit.
- Verify that checks were duly signed and contained appropriate signature(s).
- **Review endorsements on the back of checks to determine that endorsement matches payee** on front of check.

### DISBURSEMENT TEST

Select a random sample of thirty (30) disbursements spread throughout the 12-month period. For each disbursement, verify the following:

- Was the check posted to the correct account (ledger column)?
- Was there evidence that it was duly authorized according to the bylaws, i.e. within the limits of the treasurer and/or president and approved by the Board if required?
- Was there adequate support for the payment in the form of an original invoice or receipt?
- Was the payment
  - a. mathematically correct,
  - b. were discounts taken,
  - c. was sales tax paid when required, and
  - d. was payment made promptly?
- Was the expenditure a normal and necessary expense of the association and its **business**?

From a review of the ledgers, determine that Form 1099's were filed and are correct.

## RECEIPTS TEST

Select a random sample of thirty (30) receipts spread throughout the 12-month period. Verify **that they were signed by the treasurer, posted to the correct account, and review any** supporting documentation to verify the account it was posted to. Trace the receipts to the deposit slip and to the bank verification.

If receipts are not issued for all revenue, consider selecting deposits in each month and determine if:

- The receipt/deposit contained the authorized signature
- The receipt/deposit was posted to the correct account or activity
- The receipt amount agrees with the source documentation presented.

## MEMBERSHIP VERIFICATION

From information obtained from the secretary or official minutes of the club, determine how many members are in the organization and the amount of dues charged for membership. Adjusting for multiple family members discounts and documented "scholarships" (individuals who may be permitted to pay a reduced rate or fee), attempt to determine the total revenue that should have been posted to that category. Perform similar analyses for other major categories of receipts. This often will point out large errors in the posting of receipts and **can help to present a more accurate set of financial statements for the year-end audit.**

## ADJUSTMENTS

Review the detailed accounting ledgers for any unusual entries or adjustments. Satisfy yourself that they were legitimate entries and properly authorized. **Review entries into the student accounts ledger for appropriateness. Run a total of the balances in that and any other "subsidiary" ledgers at the end of the year and tie that amount to the amount in the end-of year treasurer's report and/or control ledgers.**

## DEPOSITS

Randomly select deposits and trace monies deposited back to the account they were posted to in the ledgers and if possible to the treasurer's report. **Determine that funds were deposited/remitted in a timely manner.** Determine whether funds are deposited intact (as received). Verify that personal checks were not substituted for cash.

## TREASURER'S REPORTS/LEDGERS

For each account (ledger category), verify that the beginning balance agrees with the prior year's audited ending balance. Verify that Federal Form 1099's were filed if required and that they agree with the ledger totals. Tie figures on the Federal Tax Return to **ledger totals.**

## GENERAL PROCEDURES

Determine from the treasurer, any bills that were received by the end of the fiscal year but not paid, and prepare a schedule of the outstanding payables. If the audit is performed later into the start of the next school year, review the expenditure ledger for any bills paid that may belong to the prior year.

Inform the treasurer of any errors found during the audit and require that an amended year-to-date treasurer's report be prepared.

Review ending inventory reports of all items held for resale and compare them to **prior year's inventory for consistency.**

Review permanent records of fixed assets purchased with club funds. Physically examine each item or obtain assurances from officers of the club that those assets are still in existence.

## AUDIT COMPLETION

Prepare an audit report. The report should contain a statement of strengths and weaknesses regarding the overall accounting and bookkeeping. It should be dated and signed by all members of the audit committee. It should list the

inclusive dates covered by the audit. The report may list the beginning balance, year-to-date receipts and expenditures and ending balance. It should reference the year-to-date treasurer's report or annual financial statements if prepared and indicate whether the information contained therein is accurate. Present an original copy of the report with the attached year-to-date treasurer's report or financial statements to the president to be placed on the agenda of the next Board of Directors meeting and the next general membership meeting. The chairman of the audit committee should meet with the Board and discuss any findings **and/or recommendations for improvements**. **Remember, you, as the audit committee**, have the responsibility to bring to their attention any significant findings and anything that could improve the accounting or financial operations of the club.

Attend the next general membership meeting and read the report or pass out copies to all **members in attendance and ask that it be entered into the minutes and be accepted by** the membership as evidence that the audit was performed and that they were presented a copy of the audit report. Be available to answer any questions they may have arisen either during the meeting or afterwards.

Note: Significant findings that may have a material impact on the financial statements or potential impact on the future operations of the club should be contained in the audit **report itself**. **Clerical errors and suggestions for general improvements in accounting** procedures may be listed in a separate letter and discussed with the Board of Director's only. Such matters do not have to be presented to the general membership.



## **Outside Support Organization Financial Checklist**

- ┌ Written permission from the Principal to use the name, logo, mascot or trademark of the school as part of the OSO name or in the fundraising or other activity.
- ┌ All activities of the OSO approved in advance by the Principal or designee
- ┌ All officers will be registered volunteers with the School Board
- ┌ All members encouraged to become registered volunteers.
- ┌ 3<sup>rd</sup> party audit completed and submitted to Principal or designee by September 1 for the previous fiscal year.
- ┌ OSO has one single bank account
- ┌ Federal tax-exempt status as a public 501(c)(3) Not For Profit organization maintained (if applicable)
- ┌ Authorized signatories are elected officials. Signatories are not related, do not live in the same house, nor are they Santa Rosa County School District employees.
- ┌ Two signatures required on each check.
- ┌ Bank statements mailed to school address
- ┌ Copy of current budget submitted to Principal (Registration Form)
- ┌ List of current OSO officers provided to Principal (Registration Form)
- ┌ List of signatories provided to Principal (Registration Form)
- ┌ Active status with the Florida Department of State is maintained. Principal is provided a copy of the OSO's Uniform Business Report no later than September 1 each year.
- ┌ Reviewed financial statements with backup documentation submitted to Principal no later than September 1 each year.
- ┌ Documentation of liability insurance coverage for the year submitted to Principal prior to any activities being initiated. If the organization participates in the SRCSD insurance it is in effect from October to October each year. It is the school's responsibility to verify liability insurance is current at all times.
- ┌ 1099-s or W-2's are issued if applicable
- ┌ All required reports to federal and state government filed.

## **Outside Support Organization Checklist**

## **For School Administration**

**It is recommended that you maintain a separate file for each OSO. The following items are to be maintained at the school site for each organization each year. This should be a perpetual file.**

**Copies of some or all of these items may be requested during your school's financial audit each fiscal year.**

- ┌ Copy of the written permission from the Principal to use the name, logo, mascot or trademark of the school as part of the OSO name or in the fundraising or other activity. This is issued yearly after it is confirmed that the OSO was in compliance for the previous year.
- ┌ Copy of the OSO proposed budget
- ┌ List of signatories
- ┌ Copy of the OSO's Uniform Business Report form the Florida Department of State. Due by September 1<sup>st</sup> each year.
- ┌ Reviewed financial statements for the previous year. Due September 1<sup>st</sup>.
- ┌ Backup documentation for the reviewed financial statements
- ┌ Documentation of insurance coverage for the year. It is extremely important that you verify the OSO has current insurance
- ┌ 1099's issued if applicable