University Schools

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Studies have consistently shown that parental involvement in the education of their children provides numerous benefits. University Schools supports parent involvement in each school and allows for Parent Teacher Associations (PTA), pursuant to T.C.A. § 49-2-305 and Tennessee State Board of Education Policy No. 4.207.

General

Only a group or organization that has entered into a written cooperative agreement with University Schools may use the name, mascot, or logo of a school or the school district to solicit or raise money, materials, property, securities, services, or other things of value.[1]

A civic organization operating concessions or parking at school-sponsored events is not a school support organization subject to this policy.

REPORTING AND RECORDS

The Director of Schools/designee shall annually post a list of organizations that are recognized as school support organizations on the school district's website.

Any forms, annual reports, or financial statements submitted shall be open to public inspection as a public record.

PROCEDURES

The Senior Director of Finance, Federal Programs, and Compliance shall create procedures to oversee the relationship between University Schools and any school support organization. These procedures shall include, at a minimum, the following:

1. Any agreement between University Schools and a school support organization shall be in writing and signed by the Director of Schools/designee and an authorized agent of the school support organization seeking authorization. This agreement shall contain, at a minimum, the following provisions:

a. An agreement to abide by any policies and procedures regarding school support organizations; and

b. An agreement to indemnify the Board, the Director of Schools, and all other agents of the school district for the actions of the school support organization.

2. Prior to entering into any agreement, a school support organization shall submit the following to the Director of Schools/designee:[2]

   a. Documentation confirming the school support organization's status as a nonprofit organization, foundation, or a chartered member of a nonprofit organization or foundation;

   b. A written statement of the goals and objectives of the group or organization;

   c. The main contact's telephone and address as well as the telephone number, address, and position of each officer of the group or organization; and

   d. A copy of the school support organization's written policy specifying reasonable procedures for accounting, controlling, and safeguarding any money, materials, property, securities, services, or other things of value collected or disbursed by it.

3. The Senior Director of Finance, Federal Programs, and Compliance shall designate a date prior to the beginning of the regular school year for the school support organization to submit a form to the Director of Schools/designee which verifies the information previously provided by the school support organization as correct, or if the information is no longer correct, that date shall be the deadline for any corrections.[3]

4. The school support organization shall abide by all applicable federal, state, and local laws, ordinances, and regulations in its activities.

5. The school support organization shall maintain a copy of its charter, bylaws, minutes, and documentation of its recognition as a nonprofit organization.

6. The school support organization shall maintain financial records for a period of at least four (4) years.

7. The school support organization shall operate within the applicable standards and guidelines set by a related state association, if applicable, and shall not promote, encourage, or acquiesce in any violation of student or team eligibility requirements, conduct codes, or sportsmanship standards.

8. The school support organization's officers shall ensure that school support organization funds are safeguarded and are spent only for purposes related to the stated goals and objectives of the organization.

9. The school support organization shall obtain the approval of the Director of Schools/designee before undertaking any fundraising activity. The Director of Schools/designee shall consider, at a minimum, the following when approving or denying a request by a school support organization to engage in a fundraising activity:[4]

    a. Whether the fundraising activity, as scheduled, conflicts with the fundraising activity of the school district or an individual school within that district; and

b. Whether the fundraising activity is consistent with the goals and mission of the school or school district.

10. The school support organization shall provide access to all books, records, and bank account information for the school support organization to the Board, local school director, or auditors of the Office of the Comptroller of the Treasury upon request.

11. A school representative cannot act as a treasurer or bookkeeper for a school support organization or be a signatory on the checks for a school support organization. A majority of the voting members of any school support organization board should not be composed of school representatives.[5]

The Director of Schools may enact procedures to suspend or revoke the authorization of any school support organization for failure to abide by the policies and procedures regarding school support organizations.

OPERATION OF A SCHOOL BOOKSTORE

The director of a school may enter into an agreement with a recognized school support organization for the operation of a bookstore located on school grounds, which makes direct sales to students and staff, pursuant to procedures promulgated by the Director of Schools. These procedures shall provide, at a minimum, the following:

1. One hundred percent (100%) of the profits of the operation of the bookstore are used for support of the school; and

2. The school support organization provides the school with the relevant collection documentation required pursuant to state law.[6]

The Director of Schools may provide such other procedures and forms as necessary.

CONCESSIONS AND PARKING

The director of a school may agree to allow an authorized school support organization to operate and collect money for a concession stand or parking at a related school academic, arts, athletic, or social event on school property without the prior approval of the Director of Schools/designee. Any money payable to the school pursuant to the agreement with the director will be considered school support organization funds and not student activity funds if the school support organization provides the school with the relevant collection documentation required by the student activity funds manual produced by the state.

SECTION I

The School Support Organization Financial Accountability Act (SSOFAA) or T. C. A. § 49-2-601, et seq., was passed in May 2007. The intent of the legislation was to ensure the continued support of academic, arts, athletic and social programs while also ensuring the fiscal accountability of the school support organizations. A "school support organization" means a booster club, foundation, parent teacher association, parent teacher organization, parent teacher support association, or any other nongovernmental organization or group of persons whose primary purpose is to support a school district, school, school club, or academic, arts, athletic, or social activities related to a school which collects or receives money, materials, property or securities from students, parents, or members of the general public. For the purposes of this part, a group of persons who merely request that students, parents, or members of the general public make donations to a school district, school, school club, or academic, arts, athletic, or social activity related to a school or assist in the raising of funds for a specified purpose under the sponsorship of a school employee where the funds are turned over to the school to be used for the specific purpose for which the funds were raised, shall not be considered a school support organization. Pursuant to SSOFAA the following rules must be followed to ensure that money raised by school support organizations is safeguarded and used to further activities for which the money is raised.

- Organizations must register (incorporate as a nonprofit) with the Secretary of State's office.
- The organization must be managed or operated by adults and is separate from school district student organizations. Each support organization is responsible for complying with all local, state and federal laws, and will provide the director details of the structure of the organization including, but not limited to:
    - By-laws and/or constitution
    - Current list of officers and officers' duties
    - Guidelines for election of officers and term limits
    - Purpose and goals of the organization
    - Sources of income
    - Intended use of funds generated by the organization

- An organization must annually: confirm its status as a nonprofit; describe its goals and objectives; and provide the address, telephone number and position of each officer of the organization to the director of schools or the director's designee.
- The organization must include at least one representative from the school faculty/staff as a sponsor. The school representative cannot be an officer in the support organization, nor shall they have any authority to disburse funds. The school representative may not act as a treasurer or bookkeeper for the school support organization, nor shall they be a signatory on the checks of the school support organization.
- Organizations must not use the school's Employer Identification Number or sales tax exemption for any purpose. The support organization must file for and hold an individual federal tax ID number separate from the school.
- If the support organization desires to be tax exempt as a 501(c)3 organization, it must maintain a separate tax-exempt number from the school. Support organizations cannot use University Schools' tax-exempt status or the University of Memphis federal identification number.
- Support organizations must file all appropriate tax returns.
- Use of school property by the organization for its activities will meet all regulations established by the University.
- The identity of the authorized banking institution, authorized bank account(s), and authorized signatories should be included in the minutes.
- The name on any bank account, security, or other investment should be that of the incorporated support organization.
- All bills should be paid by check, never cash. Presigning blank checks is prohibited.
- For disbursements, prenumbered bank checks should be used that require two signatures.
- Each check written should have a receipt or invoice filed by check number. The treasurer should write the check number and date paid on the invoice or receipt.
- A receipt should be issued any time cash is turned over to or collected by the treasurer. The receipts should be prenumbered and kept in a bound book. One copy should be maintained in the receipt book.
- For certain events or mass collections (e.g., concession, parking, car wash, candy sale), a record of the total collections each day must be created. Two individuals should count the collections and prepare a count sheet, signed by both counters. When the collections are turned over to the treasurer, he/she should recount the collections and issue a receipt to the individuals. The count sheet should then be filed by the treasurer.
- When a school support organization operates a concession stand or parking at a related school academic, arts, athletic, or social event on school property, the support organization must provide the school with all relevant collection records required by the *Internal School Uniform Accounting Policy Manual*.
- Collections should be deposited in the bank in a timely manner. Deposit slips should include an itemized listing of checks.

- Annually or upon request, the treasurer should provide the director and the organization officers/members a complete set of financial records or a detailed treasurer's report including all receipts and disbursements.
- Bank accounts should be reconciled promptly.
- All collection records, bank statements, canceled checks and invoices, along with copies of the monthly treasurer's report, should be organized and maintained by the treasurer by fiscal year. Records should be maintained for at least four years.
- The organization should maintain documentation of any written conditions on any donations to the board of education or the school. Pursuant to state law, the school board or school must, in good faith, disburse the funds in accordance with those conditions.
- The organization should contact the Comptroller of the Treasury, Division of Municipal Audit, at (615) 401-7871 if fraud is suspected.
- The school support organization will be subject to audit by the office of the comptroller of the treasury.
- Any plan, project or movement instituted to expand, modernize, renovate, or render maintenance to school-controlled and/or owned properties must be submitted to the school director for approval. No proposal regarding the aforementioned items can move forward until the director has received written permission from the Chief Academics and Operations Officer and/or the Vice Provost of Educational Initiatives.
- Criteria for monetary awards to students should be in the support organization’s bylaws.
- Any item purchased for a particular school by a support organization automatically becomes the property of the University and should remain at the school. Prior to making a purchase, it is recommended that at least three cost estimates be obtained to make certain a competitive price is received. Purchases may also need approval and/or installation coordination with University Information Technology Services, if items are technology related. Any technology-related purchases should be first reviewed by the Coordinator of Technology and Learning and approved by the school director and/or the Chief Academics and Operations Officer.
- The director or Vice Provost reserves the right to revoke the sanctioning of any support organization if it is found that the organization's operations and purpose are not consistent with the policies adopted by the University or if the organization fails to comply with any specified requirements, including the group’s overall mission and approved by-laws.
- The University Schools system is not liable for any actions or indebtedness incurred by a support organization.

SECTION II: FUNDRAISING

Pursuant to T.C.A. § 49-2-604(b) of the School Support Organization Financial Accountability Act (SSOFAA) the following rules must be followed to comply with the new legislation regarding fundraising by the school support organizations.

- An organization may use the school's name, mascot or logo for the purpose of raising money or materials for the school provided that the school support organization submits the following documents to the Vice Provost or the designee prior to any soliciting, raising, or collecting of money or materials:
    - The organization’s status as a nonprofit organization;
    - The goals and objectives of the organization; and
    - The telephone number, address, and position of each officer of the organization.
- The approval of the Vice Provost or the designee shall be required before a school support organization undertakes any fundraising activity to assure that scheduling of fundraisers does not conflict with the school districts or schools fundraising efforts, and that the fundraising process is consistent with the goals and mission of the school or school district.
- A school support organization shall maintain, at a minimum, detailed statements of receipts and disbursements, minutes of any meetings, a copy of its bylaws and documentation of its recognition as a nonprofit organization. Such statements and records shall be maintained for a period of at least four (4) years and be available upon request by any member of the organization, director, director of schools or the director's designee or the office of the comptroller of the treasury.
- A school support organization shall provide, upon request, to the director, school board officials, or auditors of the office of the comptroller of the treasury access to all books, records, and bank account information for the organization.
- The following shall not incur any liability for the failure of a school support organization to safeguard school support organization funds:
    - School Director
    - Board members
    - Chief Academics and Operations Officer
    - Vice Provost
    - Any other school official

The following criteria were already in place to regulate activities of school support organizations, and these will continue to be upheld by the school district.

- No fundraising activities will be conducted within the school by the organization during school hours and students will not participate in fundraising during regular class periods.
- All funds raised by the organization will be used to achieve the stated purposes and goals of the organization. No administrative fees or stipends to officers or other members will be permitted.

SECTION III: PUBLICATION OF RECOGNIZED SCHOOL SUPPORT ORGANIZATIONS

The Vice Provost or the designee will annually publish a list of organizations that have been recognized as school support organizations that have complied with the provisions of T.C.A. § 49-2-604(b) (the State policy regarding fundraising). This list will be posted annually on the University Schools' website. The board of education will not incur any liability in a school support organization's process of gaining such recognition. Any forms, annual reports or financial statements required to be submitted pursuant to T.C.A., §49-2-604(b) to the director of schools or to the director will be open to public inspection

SECTION IV: COLLECTION OF MONEY

Pursuant to T.C.A. § 49-2-606 of the School Support Organization Financial Accountability Act, the following authorizations will be granted to comply with the new legislation regarding the collection of money.

- The school director has the authority to enter into an agreement with a school support organization to operate and collect money for a concession stand or parking at a related school academic, arts, athletic, or social event on school property. Any money collected shall be considered school support group funds and not as student activity funds as long as the organization provides the school with the relevant collection documentation required under T.C.A. § 49-2-110 for student activity funds.
- The director also has the authority to enter into an agreement with a civic organization for the operation of concessions or parking at school sponsored events. Civic organizations are not subject to the provisions of T.C.A. § 49-2-110 for student activity funds.
- The director also has authority to enter into an agreement with a school support organization to operate a bookstore located on the school grounds that makes direct sales of items to students where any money the school support organization collects or any portion designated by the agreement shall be considered as school support group funds and not as student activity funds; provided, that:
    - One hundred percent (100%) of the profits of the operation of the bookstore are used for support of the school; and
    - The school support organization provides the school with the relevant collection documentation that would have been required pursuant to the provisions of the manual produced under T.C.A. § 49-2-110 for student activity funds.

A director may allow funds raised by fundraisers conducted by a school support organization outside the school day and involving students to be collected during the school day by the school support organization. Such funds shall be school support organization funds provided school employees are not involved in the accounting of such funds and the funds are turned-in using sealed envelopes.

SECTION V: DISBURSEMENT OF DONATIONS

Pursuant to T.C.A. § 49-2-607 of the School Support Organization Financial Accountability Act, any donation made by a school support organization to a school shall be disbursed only in accordance with any written conditions that the school support organization may place upon the disbursement of the funds and shall be in accordance with the goals and objectives of the school support organization.

School support organization funds that are donated to an individual school shall not be considered as student activity funds but instead as internal school funds from the point of their donation to the respective school.

Any disbursements of donated funds by a school official or employee shall be made in accordance with any relevant federal, state, or local government laws.

SECTION VI: PROHIBITED ACTIONS

Pursuant to T.C.A. § 49-2-608 of the School Support Organization Financial Accountability Act, (SSOFAA) school support organizations may not:

- Use the school's or school district's sales tax exemption to purchase items;
- Represent or imply that its activities, contracts, purchases, or financial commitments are made on behalf of or binding upon the school or school district;
- Use school support organization funds for a purpose other than purposes related to the goals and objectives of the school support organization that relate to supporting a school district, school, school club or school academic, arts, athletic, or social activity; or
- Maintain or operate a bank account that bears the employer identification number of a school board, school, or any other school related governmental entity. Any funds deposited into the bank account shall be presumed to be a donation to the entity whose employer identification number is used and shall be treated as student activity funds.

Legal References

1. TCA 49-2-604(a)
2. TCA 49-2-604(b)(1), (e)
3. TCA 49-2-604(b)(1)(B)
4. TCA 49-2-604(b)(2)
5. TCA 49-2-604(g)
6. TCA 49-2-110