

## **SANCTIONING OF PARENT ORGANIZATIONS, BOOSTER CLUBS, AND ASSOCIATIONS (PROCEDURES)**

In compliance with the provisions of state law, the Stillwater Public Schools district has established procedures to provide for sanctioning of organizations and associations exempted or applying to be exempted from statutory controls and board policies and procedures pertaining to school activity funds.

### Definitions

1. Initial sanctioning is the first time an organization is sanctioned by the board of education. Initial sanctioning may be requested by an organization at any board meeting.
2. Annual sanctioning occurs each fiscal year after an organization is initially sanctioned. Annual sanctioning applications should be submitted by July 5 each year.

Organizations have the following options regarding the management of their funds related to the Stillwater Public Schools district:

1. Funds may be deposited and expended through a board-approved school activity account at the local school site. Organizations that choose to deposit funds in a board-approved school activity account must follow the district's policies and procedures for school activity funds.
2. Funds may be deposited and expended through an organization's local bank account and shall be exempt from regulations of the district's school activity fund upon being granted sanctioned status by the board of education under the requirements of these procedures.

Organizations that have previously obtained IRS designation as 501(c)(3) organizations are still required to apply for sanctioning by the board of education.

### Procedures for Sanctioning by the Board of Education

1. All organizations and associations wishing to be sanctioned shall make application to the board of education as described in the definitions section of this policy. The Sanctioned Organization President and Treasurer must not be a school district employee at any time during the sanctioned year.
2. The completed application form (CFBB-E) must be submitted for review to the chief financial officer.
3. After review by the chief financial officer and the superintendent of schools, the superintendent will make a recommendation to the board concerning the organization seeking to be sanctioned.
4. The board will review the organization's application and determine whether to approve or decline the sanctioning request.
5. Annual sanctioning shall be approved by the board on a one-year basis only. The board shall consider all annual sanctioning applications at the beginning of the school year (normally the September board meetings).
6. The board of education's decision is final and nonappealable.

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7. Each organization shall annually provide the district's chief financial officer with an application for re-sanctioning, including required financial information, agreement to attend required annual training, proof of insurance for the corresponding year (covers funds from theft, embezzlement, or loss, general liability and accident medical coverage in case of injury, financial loss in the event of a claim, and officers liability from legal action) and a copy of an organization's by-laws and/or constitution.

It should be noted that sanctioning by the board of education in no way grants the organization or association "tax-exempt" status for its operations, nor does it grant "tax-deductible" status to its donors. The organization or association should consult a tax professional for advice on these matters.

It should also be noted that, as a sanctioned organization is at "arms length" and not a part of Stillwater Public Schools, proper internal controls can not be ensured by the district and is the responsibility of the sanctioned organization to provide on all financial activities/transactions. Thus, any legal or audit expenses incurred by the district related to a sanctioned organization will be billed to and paid for by the corresponding sanctioned organization.

In reviewing the application for sanctioning, the board will require selected organizations to provide additional financial information and supporting documentation that will be reviewed by the district's external auditor as part of an agreed upon procedure review.