



MUSTANG PUBLIC SCHOOLS

Booster/PTSO Group Name and Location

Date: _____

Sanctioning Application Check List

1. Completed Application. _____
2. Current Bylaws.
(Make sure Board Policy Guidelines are included in the Bylaws) _____
3. Copy of current General Liability Insurance Cert.
(Make sure the Policy covers Fiduciary Embezzlement Bond Coverage) _____
4. Submit six months of Bank Statements and include most recent
Income Revenue Statement. _____
5. Submit the last six months of meeting minutes held by your
membership and Booster Club or PTSO Group. _____
6. IRS EIN Number/501 (c) (3) Proof or Status.
 - Copy of IRS Form 990 Filing for previous yr.
 - Oklahoma Tax Exempt Certification_____
7. Signed Sanctioning Board Policy Affidavit. _____

Reviewed By: _____
Athletic Director **Date**

Reviewed By: _____
Site Principal **Date**

Reviewed By: _____
Chief Financial Officer **Date**

Reviewed By: _____
Superintendent **Date**



MUSTANG BOARD OF EDUCATION

APPLICATION FOR SANCTIONING

Instructions to Applicant:

1. Complete this application. Please print or type. If necessary, please use additional sheets of paper.
2. Sign and date this application.
3. Deliver this application to the athletic director or site principal.
4. The application will be reviewed by the athletic director or site principal and submitted to the superintendent for a recommendation to the Mustang Public Schools Board of Education.
5. The superintendent will notify the applicant of the board's decision.

----- (School District Use Only) -----

Athletic Director/Principal:

Received:

Date

Athletic Director/Principal

Recommends _____

Does Not Recommend _____

Rational for Not Recommending:

Reviewed and Submitted to
Superintendent

Date

Signature
Athletic Director or Principal

Superintendent:

Received:

Date

Superintendent

Recommends _____

Does Not Recommend _____

Rational for Not Recommending:

Reviewed and Submitted to
Superintendent

Date

Signature
Superintendent

Board of Education:

Sanctioned: _____

Declined to Sanction: _____

Date of Board of Education Meeting:

MUSTANG BOARD OF EDUCATION

APPLICATION FOR SANCTIONING (Cont.)

This is a request for sanctioning by the Applicant Group to the Mustang Board of Education, pursuant to which the funds collected by the Applicant Group are exempt from the statutory controls over school activity funds. The Applicant Group is a student achievement program or a parent-teacher association or organization.

Name of Applicant: _____

Address for Correspondence: _____
(Include City and Zip Code) _____

Tax ID No.: _____

Representative or Board Member
from whom additional information
may be obtained: _____

Representative's Address: _____

Representative's Phone No.: _____

Purpose and Goals of Applicant Group: _____

Describe how the school district and its students will benefit if the Applicant Group is sanctioned (Attach additional information if necessary):

Application Request: Sanctioning "A" _____ Sanctioning "B" _____
(Refer to *PTSO and Booster Club Sanctioning Options* sheet)

Has this Group been sanctioned by the Mustang Public Schools Board of Education before? _____

If yes, what year(s)? _____

MUSTANG BOARD OF EDUCATION

APPLICATION FOR SANCTIONING (Cont.)

FINANCIAL REPORT

(Submit six months of Bank Statements and must include most recent Income Revenue Statement)

Program, Association or Organization Name

1. BEGINNING BALANCE as of _____ \$ _____ (A)
month/day/year

2. REVENUES

Fund-Raisers:

_____	_____
_____	_____
_____	_____
_____	_____
Total Fund-Raisers:	\$ _____

Donations:

_____	_____
_____	_____
_____	_____
_____	_____
Total Donations:	\$ _____

Other:

_____	_____
_____	_____
_____	_____
_____	_____
Total Other:	\$ _____

Total Revenues: \$ _____ (B)

3. TOTAL AVAILABLE (A + B): \$ _____ (C)

4. EXPENSES: (List expenditures; attach additional sheet if necessary)

_____	_____
_____	_____
_____	_____
Total Expenses:	\$ _____ (D)

5. REVENUE OVER/UNDER EXPENDITURE (C minus D) \$ _____

Is your bank account collateralized to cover monies deposited during the year? Yes _____ No _____

MUSTANG BOARD OF EDUCATION

APPLICATION FOR SANCTIONING (Cont.)

List most recently elected officers and contact information, including phone number:

Name: _____ Office: _____ Service Year: _____

Address: _____ Phone: _____

Name: _____ Office: _____ Service Year: _____

Address: _____ Phone: _____

Name: _____ Office: _____ Service Year: _____

Address: _____ Phone: _____

Name: _____ Office: _____ Service Year: _____

Address: _____ Phone: _____

Name: _____ Office: _____ Service Year: _____

Address: _____ Phone: _____

Applicant certifies that it does not and will not discriminate with respect to its benefits, memberships, programs, operation, or organization based on race, gender, age, religion, national origin, or disability.

Applicant acknowledges that the Board of Education has the discretion to sanction or decline to sanction the Applicant, and the decision of the Board of Education is final and is non-appealable. Applicant further acknowledges that (a) the Board of Education may, at any time, request the records maintained by the Applicant, which records the Applicant will promptly make available, and (b) the Board of Education may, at any time it believes it is in the best interest of the School District to do so, withdraw sanctioning, and the decision of the Board of Education is final and is non-appealable.

Applicant also acknowledges that in order for the School District to consider whether to maintain the sanctioning action of Applicant, Applicant shall provide to the Board of Education, upon request, on an annual basis, by July 1 of each year or at the time an application is received, a financial report as defined by the Board of Education regulations for Applicant's recently ended fiscal year.

I certify that the information provided on this application is true and correct to the best of my knowledge.

Submitted By:

President's Name (please print)

President's Signature

Date

Treasurer's Name (please print)

Treasurer's Signature

Date



MUSTANG PUBLIC SCHOOLS

PTSO AND BOOSTER CLUB SANCTIONING OPTIONS

Sanctioning “A” operates *outside* the Mustang Public Schools Activity Fund:

- Separate legal entity with Tax ID number [501 (c) (3)].
- Separate bank account with fees paid by PTSO or Booster Club.
- Monthly bank reconciling done by PTSO or Booster Club.
- Compliance with IRS code regulations and filing requirements.
- Annual audit performed by District’s independent auditor paid for by PTSO or Booster Club.
- Liability Insurance required and paid by PTSO or Booster Club.
- Compliance with MPS Board of Education policy.

Sanctioning “B” operates *inside* the Mustang Public Schools Activity Fund:

- Uses the District’s Tax ID number.
- Petty Cash fund at District’s “Bank of Record.”
- Monthly bank reconciling done by District.
- Annual audit performed by District’s independent auditor paid for by District.
- Uses Purchase Order process.
- Liability Insurance required and paid by PTSO or Booster Club.
- Compliance with MPS Board of Education policy.

MUSTANG PUBLIC SCHOOLS SANCTIONING POLICY

The Board of Education of Mustang Public School District believes that student achievement programs and parent-teacher associations and booster club organizations advance the educational goals of the Board of Education and provide significant benefits to the students and programs of the School District. Therefore, the District must comply with the statutory controls of Oklahoma School Code, OKLA STAT. tit. 70 5-129 which states that all schools districts must adopt policies providing guidelines for the sanctioning (approval to operate) of parent organizations and other associations. The School District shall approve student achievement programs and parent-teacher associations and organizations that, according to the Board's determination, advance the educational objectives of the School District, are beneficial to students, and meet the requirements of this policy.

In determining whether a student achievement program or a parent-teacher association or organization should be approved by the School District, the Board of Education may consider:

- a. if the program, association, or organization promotes activities that are an extension or expansion of the District's curriculum and/or extracurricular activity;
- b. if the program, association, or organization assists student government or activities in carrying out special projects or responsibilities;
- c. if the program, association, or organization assists student clubs, organizations, and other student groups in raising funds to promote activities approved by the Board of Education.

Approval Procedures for Student Achievement Programs and Parent-Teacher Associations and Booster Organizations

A written statement by a student achievement program or by a parent-teacher association or booster club organization to the Board of Education requesting approval shall include the following:

- a. a completed application including a statement or by-laws of its purpose, goals, organizational structure, and membership requirements;
- b. a detailed statement of how the School District and its students will benefit if the organization is sanctioned;
- c. a statement of nondiscrimination consistent with all Oklahoma and federal laws; and, acknowledgement that said group or club will at all times support and represent Mustang Public Schools with its highest standards;
- d. a financial statement for such program, association, or organization and a most recent audit performed by an independent accounting firm if available;
- e. Acknowledge that the program, association, or organization, will be managed or operated by adults as required.

The written statement and application packet shall be submitted to the Superintendent for preliminary review and submission to the Board of Education. Once approved, the organization agrees to provide the following:

- a. Proof of Liability Insurance certificate;
- b. Proof of Internal Revenue Code 501© 3 tax exempt status and tax identification number.
- c. Board policy Sanctioning Affidavit acknowledging and agreeing to comply with all sanctioning regulations and guidelines set forth by Mustang Public Schools Board of Education.
- d. agrees to attend yearly sanctioning workshops conducted by the District in order to provide training to new booster club and parent organization officers.

Adopted: 11-14-16



Mustang Public Schools Board of Education Sanctioning Policy Affidavit

The _____ Parent Group and/or Booster Club will, in accordance with Oklahoma State Law, be sanctioned by the Mustang Public Schools District. It will be the responsibility of the executive board to complete all components of the application for sanctioning each school year. The executive board and booster club membership will fully comply with the Mustang Public sanctioning policy as follows:

1. Comply with all Mustang Public Schools Board Policy.
2. Compliance with Internal Revenue code regulations and filing requirements:
 - Separate legal entity with Federal EIN number and 501 (c) (3) status
 - Copy of IRS Form 990 Filing for previous year
 - Oklahoma Tax Exempt Certification
3. If chosen to be audited, it will be performed by the district's independent auditor at a rate of \$50.00 per hour not to exceed \$500.00.
4. Submit final year-end financial accountability report to your designated contact, i.e., Athletic Dir., Principal by July 15th of each school year reflecting a 12-month accounting period.
5. Retain \$1,000,000.00 in General Tort Liability which includes Fiduciary Embezzlement coverage and insurance agent will be assigned.
6. If Parent Group and/or Booster Club abolishes, the funds become the property of Mustang Public Schools for the benefits of that designated program.
7. Document and maintain all minutes of all Parent Group and/or Booster Club meetings.
8. Must reconcile bank statements monthly.
9. Must provide any and all changes to Parent Group and/or Booster Club officers, Bylaws and General Liability Insurance Certificate Renewal to Mustang Public Schools Chief Financial Officer.

We have reviewed the guidelines set forth by the Mustang Public Schools Board of Education Sanctioning Policy and agree to comply with these guidelines. We will include these guidelines in our Bylaws voted on by our membership.

Parent Group and/or Booster Club Board President

Parent Group and/or Booster Club Vice President

Parent Group and/or Booster Club Secretary

Parent Group and/or Booster Club Treasurer

Head Coach/ Director/Sponsor

Athletic Director

Site Principal



Mustang Public Schools

Booster Clubs & PTSO Groups

General Liability Insurance coverage information and Fiduciary Embezzlement Bond coverage is required by the District's Insurance Agent.

Booster Club/PTSO Group **NAME:** _____

Booster Club/PTSO Group **ESTIMATED MEMBERSHIP:** _____

Booster Club/PTSO Group **ESTIMATED GROSS REVENUE:** _____

Booster Club/PTSO Group **CONCESSION ANNUAL SALES:** _____

President's Name: _____

Phone Number: _____

Email Address: _____

Date: _____

ACTIVITY FUND SANCTIONING TALKING POINTS

Budget constraints have caused many school districts to place a greater emphasis on alternative sources of revenue to support non-classroom expenses and extracurricular activities. Consequently, fundraising by outside support organizations (parent groups and booster clubs) has become something many schools depend on to supply sports and band equipment, playground equipment, field trips, and other activities or items that may have lost funding support due to budget cuts. While this additional revenue may provide some relief to budget pressures, it may also come with unforeseen legal and political consequences. Nevertheless, it would be unreasonable for most school districts to disassociate with outside support organizations and turn away their financial support. Districts can, however, reduce the risk of negative consequences by first recognizing where and how problems may develop and then by establishing policies and practices to address those areas of concern.

Potential Trouble Spots

Tort Liability (Lawsuits)

Fundraisers held by booster clubs and parent groups traditionally include activities that involve some risk of injury. Car washes, fall carnivals with bounce houses and dunking booths, fun runs, and donkey basketball games are not inherently dangerous activities, but they create situations where injuries may result without proper supervision or sufficient safety measures. When injuries occur, the relationship between the outside support organization and the school district may dictate who will be ultimately liable in a negligence lawsuit. If a booster club or parent organization is indistinguishable from the school district, the district may be held responsible for the group's negligence. Such a determination will likely be influenced by the following conditions: (1) the group is permitted special access to school facilities and communication forums; (2) school employees routinely assist in the group's activities; (3) the group is allowed unrestricted use of the school's name, mascot, or logo; (4) the group is not a separate legally established not-for-profit corporation; and (5) announcements for group-related functions do not provide a clear indication of whether the event is sponsored by the group or the school district.

A school district's governmental immunity could also be limited under circumstances where the district is sued for the negligent acts of an outside support organization. For example, in some states, governmental immunity law does not apply to "actions to recover for bodily injury or property damage arising out of the performance of a proprietary function, which is defined as "any activity which is conducted primarily for the purpose of producing a pecuniary profit (**financial advantage that is dishonestly obtained by deception and that could constitute a criminal offence**) ...excluding any activity normally supported by taxes or fees. The Michigan's Supreme Court discussed the application of this exception in *Coleman v. Kootsillas*. In finding that a proprietary function led to the negligence in question, the Court reasoned that an activity is generally intended to be a general revenue-raising device if its profits are deposited in the governmental agency's general fund or used to finance an unrelated function. Conversely, if the revenue is used only to pay current and long-range expenses involved in operating the activity, the primary purpose of the activity is not to produce a pecuniary profit. Thus, in states where governmental immunity is waived when performing a non-governmental or a proprietary function, school districts will be more susceptible to liability when injuries occur at a fundraising event.

ACTIVITY FUND SANCTIONING TALKING POINTS

Embezzlement

Unfortunately, booster clubs and parent groups have become targets of embezzlement at an increasingly high rate. In most of these cases, the school district has no control of the accounts of the outside organization, so the embezzler is solely liable for the missing money. However, the relationships that a school district enjoys with its outside support organizations create a public perception that the district oversees and controls the organizations. This creates a difficult public relations situation for the school district, which may result in a political backlash from its constituency if it fails to take an active role in recovering or reimbursing the embezzled money.

A School District confronted such a situation by filing a lawsuit against a former principal who plead guilty to embezzling and laundering \$400,000 from an elementary school's parent teacher organization and childcare program. According to the plea agreement, the principal will forfeit two parcels of property in order to reimburse the \$400,000, which was the amount of stolen money as identified by the U.S. Attorney's Office. The school district, however, conducted its own forensic audit and determined that the principal embezzled \$865,000. The district's lawsuit seeks to recoup the additional \$465,000 plus \$225,000 for audit and legal expenses. The school district's superintendent has declared that the district "will prosecute to the fullest extent of the law when the community's money and property is stolen. Parents gave up their time and money selflessly, assuming he [the principal] would be a custodian of the funds." The case is pending in the County Circuit Court.

Discrimination

Under Title IX, donations by booster clubs may not create vast differences in benefits or services to female and male athletes. Even though the school district is not the direct source of the financial support, Title IX imputes liability to the school district if unequal treatment occurs as a result of the actions of a booster club. The Title IX regulations prohibit aiding and perpetuating discrimination by "providing significant assistance

to any agency, organization, or person which discriminates on the basis of sex in providing any aid, benefit, or service to students. Thus, a school district that allows a booster club to operate a concession stand at football games or grants free facility use for other fundraising events, has an obligation under Title IX to ensure that the booster club's contributions do not create disparities in participation opportunities, equipment, and facilities between male and female athletic teams. Failing to ensure equity could lead to court ordered penalties or sanctions administered by the Office of Civil Rights (OCR). The OCR's TITLE IX ATHLETICS INVESTIGATOR'S MANUAL also stresses a school district's responsibility under Title IX to ensure that boys' and girls' athletic teams are provided with equivalent benefits, services, or opportunities regardless of their source. While noting that OCR has no jurisdiction to investigate independent booster clubs, the manual provides the following guidance on assessing a school district's ultimate responsibility for ensuring Title IX compliance in regard to booster donations: Where booster clubs provide benefits and services that assist only teams of one sex, the institution shall ensure that teams of the other sex receive equivalent benefits and services. If booster clubs provide benefits and services to athletes of one sex that are greater than what the institution is capable of providing to athletes of the other sex, then the institution shall take action to ensure that benefits and services are equivalent for both sexes.⁸ Thus, the bottom line is that school districts are responsible for Title IX compliance regardless of whether the disparate benefits are created by booster clubs or other sources of outside financial assistance.

ACTIVITY FUND SANCTIONING TALKING POINTS

Record Keeping

Title IX compliance places an obligation on school administrators to monitor the distribution of all benefits to athletic teams provided by the school district and booster clubs. If a complaint is filed against a school district alleging disparities favoring male athletic teams as a result of outside financial assistance by booster clubs, the district can defend against the complaint by providing evidence of an off-setting benefit provided to female athletes by the school. According to OCR, the difference in the amount of funds received by male and female athletic teams from booster clubs is not, in and of itself, a violation of Title IX.

Violating High School Athletic Association Regulations

In some instances, contributions from booster clubs may be contrary to rules approved by a state's high school athletic association. For example, the High School Athletic Association prohibits a coach from receiving financial compensation from any source except the school district. This regulation would prohibit a booster club from directly paying a talented coach additional compensation as an incentive to remain at the school district. Additionally, most state high school athletic associations prohibit booster clubs and parent organizations from sponsoring or supporting out-of-season programs or performing out-of-season functions if the school district is prohibited from doing so under the same circumstances. Therefore, a regulation that prohibits using school transportation for out-of-season activities could not be circumvented by having a booster club reimburse the school district for the expenses of the school vehicle and driver. Violating established athletic association regulations, which includes violations by a school district's booster clubs, could provide the basis for the association to impose censure, probation, forfeiture, loss of privilege of revenue sharing, or expulsion against a school district.

Avoiding Negative Consequences

The following information provides guidance on taking preventative measures to limit the risk of school district liability for the activities of booster clubs and parent groups.

Policies and Procedures

Many of the possible trouble spots discussed above can be addressed by adopting appropriate board policies and administrative procedures on the following matters:

Clarifying the relationship between the school district and its booster clubs and parent groups

Groups and clubs that are not incorporated under law as not-for-profit corporations could be categorized as "internal groups" under the school district policies. These groups would be subjected to greater district oversight, which would require the groups' income to be deposited into the school's internal accounts (Activity Fund Account) and subjects the groups to all policies and procedures related to receiving and disbursing funds. Other groups and clubs that have incorporated could be classified as "external groups" or "independent organizations" with bank accounts separate from those of the school district.

Parameters for using the school district's name, logo, or mascot

Such use should be revocable and contingent upon complying with school district policies.

ACTIVITY FUND SANCTIONING TALKING POINTS

Requiring accounting procedures for “external groups”

Even though a school district will not be overseeing the accounts of “external groups,” the district may still require the groups to follow specific accounting practices: (1) the treasurer of the group shall handle all funds; (2) two signatures are required on all checks; (3) funds are always deposited into the authorized bank account; (4) two people count the money and provide the treasurer with a signed proceeds receipt; (5) school employees shall not be authorized to sign checks drawn on the bank account; (6) sales slips, receipts, or invoices are provided for every expenditure; (7) bank statements are reconciled by the treasurer and reviewed by someone who does not have check signing authority; (8) a copy of the budget shall be provided to the school or district at the beginning of each school year: and, external group must be audited by an independent auditor or auditor for the school district.

Approving activities

Require prior written approval of the group’s activities by a building principal (or designee). Announcements of the event should clearly indicate that it is sponsored by the group and the not the school or district. Groups should warrant that the activities will be adequately supervised.

Insurance

Booster clubs and parent groups should maintain a general liability insurance policy that names the school district as an additional insured party. In the past, most school insurance policies covered booster clubs and parent groups, but many insurance companies have been dropping outside support organizations from school policies. Or, in some cases, coverage for liability claims made against individuals participating in booster club or parent organization events are limited to events that are sponsored by the school district in cooperation with the outside group. And some policies only cover booster clubs and parent groups for events during school hours or on school property. Whatever the case may be, school districts can seek complete coverage by mandating that the outside support organizations obtain comprehensive liability policies and consider property coverage, officer’s liability, and bond coverage for the treasurer or fund custodian.

Audits

Because audits provide a defense against embezzlements and fraud, booster clubs and parent groups should be encouraged, if not required, to conduct annual audits of their financial records. Many insurance companies will also require a booster club or parent group to conduct an annual audit by an audit committee or qualified accountant in order to qualify for bond coverage. The audit should be performed by someone who is independent from the group’s day-to-day financial activities. If an auditing committee is charged to conduct the audit, its members should not include the signers on the checking account. Upon completion, the results of the audit should be reported to the board of directors of the group and then filed with the school district.

School-wide Booster Clubs

Another way to minimize liability under Title IX is to encourage school-wide booster clubs. For example, instead of having separate booster clubs for boys’ and girls’ basketball, a school-wide basketball booster club would support all the school’s basketball teams. If school-wide booster clubs covered all the sports that are offered for both boys and girls (i.e., soccer, basketball, swimming, golf, track, cross country, etc.), the administrative burden of monitoring and tracking

ACTIVITY FUND SANCTIONING TALKING POINTS

the flow of benefits from booster clubs to athletic teams for the purposes of complying with Title IX would be limited to traditional single-sex sports, such as football, volleyball, and wrestling.

Sharing Information

Booster clubs and parent groups should receive information on policies relating to sexual harassment, nondiscrimination, fundraising, alcohol and smoke-free schools, facility use, donations, advertising, and other issues that could affect the organizations and their activities. The athletic booster clubs should also be aware of pertinent high school athletic association regulations that cover undue influence, compensating coaches, and out-of-season activity restrictions.

Conclusion

Undeniably, booster clubs and parent groups play a very important role in assisting school districts with non-classroom expenses. Without these organizations, many playgrounds would be archaic, band uniforms would seldom be replaced, and athletic equipment would remain broken or outdated. While the pros of having booster clubs and parent groups far outweigh any cons, school districts should still consider what liability may result from their activities and what can be done to protect the school

district as well as the organization itself. By taking such a proactive approach in dealing with parent groups and booster clubs, school districts can reap the benefits of support from their dedicated community members.