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School Support Organization Financial Accountability Act
(Tennessee Code Annotated, Title 49, Chapter 2, Part 6)

49-2-601. Short title.

49-2-602. Legislative intent.

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49-2-604. Adoption of policy concerning fundraising.

49-2-605. Posting or publication of recognized school support organizations Public inspection of forms, reports or financial statements.


49-2-607. Disbursement of donations.

49-2-608. Prohibited actions.

49-2-609. Audit.


49-2-611. Initial registration and renewal fees.


49-2-601. Short title.

This part shall be known and may be cited as the School Support Organization Financial Accountability Act.


Attorney General Opinions. The School Support Organization Financial Accountability Act does not create liability on the part of school boards or their members, where school support organizations experience misappropriation of funds, OAG 08-174 (11/18/08).

49-2-602. Legislative intent.

The general assembly recognizes the importance of school support organizations in providing financial support to help carry out academic, arts, athletic, and social programs to further educational opportunities for the children of this state. The general assembly also recognizes concerns that parents and other persons who support these organizations have in ensuring that money raised by these organizations is safeguarded by them and used to further the activities for which the money is raised. It is, therefore, the intent of the general assembly to ensure the continued support of academic, arts, athletic and social programs, which help to educate the children of this state, while also ensuring fiscal accountability of school support organizations.

49-2-603. Part definitions.

As used in this part, unless the context otherwise requires:

(1) Donation means any gift or contribution of money, materials, property or securities from any nongovernmental source received by a school official or employee for the benefit of a school district, school, school club, or academic, arts, athletic or social activity related to a school;

(2) Internal school funds mean any and all money received and accounted for at individual schools, and specifically include, but are not limited to:

(A) Any donation or grant made to the school, a school club, or any academic, arts, athletic or social activity related to a school;

(B) Funds for cafeteria services operated at the school;

(C) Fees collected by the school;

(D) Funds transferred to the local school from the school board that are to be accounted for at the local school level;

(E) Funds raised through cooperative agreements with outside organizations;

(F) Rental fees charged outside entities for use of school facilities; and

(G) Student activity funds;

(3) (A) School representative means:

(i) When a school support organization's primary purpose is to support a school system or an individual school:

(a) A school board member;

(b) The director of schools;

(c) A principal; and

(d) Any individual who is primarily responsible for accounting for school system funds or the funds of an individual school; and

(ii) When a school support organization's primary purpose is to support a local school club or academic, arts, athletic, or social activity related to a school:

(a) A school board member;

(b) The director of schools;

(c) A principal;

(d) Any individual who is primarily responsible for accounting for school system funds or the funds of an individual school; and
(e) Any individual who works for the school system and who as part of the individual's employment by the school system is charged with directing or assisting in directing the related school club or activity;

(B) School representative shall specifically include, but shall not be limited to, coaches, assistant coaches, band directors, or any other school sponsor of a related club or activity;

(4) (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, that collects or receives money, materials, property or securities from students, parents or members of the general public;

(B) 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;

(5) School support organization funds include all money, materials, property or securities raised by a school support organization or any organization that represents itself to students, parents or members of the general public to be a school support organization; and

(6) Student activity funds include all money received from any source for school-sponsored student activities or school-sponsored events held at or in connection with a school, and specifically include, but are not limited to, any money:

(A) Derived from a school-sponsored academic, art, athletic or social event involving students;

(B) Raised by school-sponsored clubs involving students;

(C) Raised by school-sponsored fundraisers involving students who are under the supervision of a school employee;

(D) Received from a commission for the direct sale of items to students pursuant to a cooperative agreement between the school and an outside organization;

(E) Received for the direct sale of items to students from a school-run bookstore located on school grounds;

(F) Raised from fees charged students;

(G) Obtained from interest from any account that contains student activity funds; or

(H) (i) Obtained from any related school-sponsored activity that involves the use of school personnel, students, and property during the school day;
(ii) For the purpose of subdivision (6)(H)(i), school day means the regular hours of operation of the school during which classes are conducted.


49-2-604. Adoption of policy concerning fundraising.

(a) A group or organization may not use a school district's or school's name, mascot or logos, property or facilities for the raising of money, materials, property or securities until a policy has been adopted by the local board of education concerning cooperative agreements, school support organizations and the use of school facilities for fundraising purposes.

(b) The policy that a school board adopts pursuant to subsection (a) shall, at a minimum, include, in substance, the following provisions:

(1) (A) Prior to soliciting, raising or collecting money, materials, property or securities to support a school district, school, school club or any academic, arts, athletic or social activity or event related to a school, a school support organization shall submit to the director of schools or the director's designee a form that, at a minimum, documents the following:

(i) The organization's status as a nonprofit organization, foundation or a chartered member of a nonprofit organization or foundation; provided, however, that nothing in this section shall require that the organization be a 501(c)(3) organization under the Internal Revenue Code, codified in 26 U.S.C. 501(c)(3);

(ii) The goals and objectives of the organization; and

(iii) The telephone number, address and position of each officer of the organization;

(B) Thereafter, a school support organization shall annually, at a time designated before the beginning of the school year, submit a form to the director of schools or the director's designee verifying its continued existence as a nonprofit organization and documenting, at a minimum, the goals and objectives of the organization, and the current telephone number, address and position of each officer of the organization. The organization shall file a statement of total revenues and disbursements before the end of the school year; and

(2) The approval of the director of schools or the director's 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 district's or school's fundraising efforts and that the fundraising process is consistent with the goals and mission of the school or school district. The approval shall not make the fundraising activity a school-sponsored activity.

(c) A school support organization shall maintain, at a minimum, detailed statements of receipts and disbursements, minutes of any meetings, a copy of its charter, bylaws and documentation of its recognition as a nonprofit organization. The 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, principal, director of schools or the director's designee or the office of the comptroller of the treasury.
(d) A 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.

(e) A school support organization's officers shall ensure that school support organization funds are safeguarded and are spent only for purposes related to the goals and objectives of the organization. The organization shall adopt and maintain a written policy that specifies reasonable procedures for accounting, controlling and safeguarding any money, materials, property or securities collected or disbursed by it.

(f) A school support organization shall provide, upon request, to officials of the local school board, local school principal or auditors of the office of the comptroller of the treasury access to all books, records and bank account information for the organization.

(g) A school representative may not act as a treasurer or bookkeeper for a school support organization. A school representative may not be a signatory on the checks of a school support organization. A majority of the voting members of any school support organization board should not be composed of school representatives.

(h) A local board of education may adopt a policy that is more restrictive than the requirements of subsection (b).

(i) The local board of education, director of schools, local school principal or any other school official shall not incur any liability for the failure of a school support organization to safeguard school support organization funds.


Section to Section References. This section is referred to in 49-2-605, 49-2-606.

49-2-605. Posting or publication of recognized school support organizations Public inspection of forms, reports or financial statements.

(a) The director of schools or the director's designee shall annually post or publish a list of organizations that have complied with 49-2-604(b). This posting or publication may be made by written or electronic means. The school board shall determine the appropriate method of posting or publishing this information.

(b) Any local board of education is authorized to develop a process to certify that an organization has been recognized as a school support organization; however, a local board of education shall not incur any liability for the recognition.

(c) Any forms, annual reports, or financial statements required to be submitted according to the policy adopted by the board pursuant to 49-2-604(b) to the director of schools or the local school principal shall be open to public inspection.


(a) Any individual who collects or receives any student activity or other internal school funds shall turn over to the properly designated school official or employee all student activity or other internal school funds. The funds shall be considered student activity or other internal school funds for the purpose of 49-2-110. That a member of a school support organization or a person claiming to be a member of a school support organization collected the money is immaterial to the determination as to its status as student activity or other internal school funds.

(b) A local board of education may grant the principal of a school 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 where any money it collects or any portion designated by the agreement shall be considered as school support group funds and not as student activity funds; provided, that:

   (1) The board has adopted a policy concerning school support organizations pursuant to 49-2-604(b); and

   (2) 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 49-2-110 for student activity funds.

(c) Nothing in this section diminishes the authority of a local board of education to enter into an agreement with a civic organization for the operation of concessions or parking at school sponsored events. The civic organization shall not be subject to this part.

(d) A local board of education may grant the principal of a school the authority to enter into an agreement with a school support organization to operate a bookstore located on 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:

   (1) The board has adopted a policy concerning school support organizations pursuant to 49-2-604(b);

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

   (3) 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 49-2-110 for student activity funds.

(e) A principal 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. The funds shall be school support organization funds; provided, that school employees are not involved in the accounting of the funds and the funds are turned in using sealed envelopes.

49-2-607. Disbursement of donations.

(a) Donations to a board of education shall be received and disbursed in accordance with 49-6-2006.

(b) In addition to any requirements established by 49-6-2006(a), the following specific conditions shall apply:

(1) Any donation made by a school support organization to a board of education or 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;

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

(3) 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, including any relevant purchasing laws or requirements of the accounting policy manual produced according to 49-2-110(e).


49-2-608. Prohibited actions.

A nongovernmental group or organization, including all school support organizations, may not:

(1) Use the school's or school district's sales tax exemption to purchase items;

(2) Represent or imply that its activities, contracts, purchases, or financial commitments are made on behalf of or binding upon any school or school district;

(3) 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

(4) Maintain or operate a bank account that bears the employer identification number of a school board, school, or any other school related governmental entity. From July 1, 2007, 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.


49-2-609. Audit.

A school support organization or any group or organization that collects and raises money, materials, property or securities while representing itself to be a school support organization shall be subject to audit by the office of the comptroller of the treasury.


The office of the comptroller of the treasury is authorized to adopt a model financial policy for school support organizations.


49-2-611. Initial registration and renewal fees.

Notwithstanding 48-51-303(a)(1) to the contrary, a school support organization that is required to register as a nonprofit organization, foundation or chartered member of a nonprofit organization or foundation by a policy adopted in accordance with this part shall be exempt from any initial registration fee by the secretary of state for the registration if the school support organization is an educational institution as defined in 48-101-502(b). The school support organization shall pay any renewal fee required by the secretary of state to maintain valid annual registration as a nonprofit organization, foundation or chartered member of a nonprofit organization or foundation.


(a) A public school or its administrators or supporters are authorized to form, or caused to be formed, a charitable school foundation for the sole purpose of supporting the school by raising and administering funds for the school and its programs. A school foundation shall be broad based in its support of the school and shall not limit its support to a single program or activity. A school foundation shall be a school support organization under this part.

(b) To be a school foundation under this section, the foundation shall apply for and receive exemption from federal income taxation under 501(a) of the Internal Revenue Code, codified in 26 U.S.C. 501(a), as an organization described in 501(c)(3) of the Internal Revenue Code, codified in 26 U.S.C. 501(c)(3).

(c) The school foundation shall be open to parents, students, faculty, staff, alumni and members of the community who are interested in supporting the school and its programs.

(d) The bylaws of the school foundation shall require the director of schools and the principal of the school to serve as ex officio members on the foundation's board of directors.

(e) An organization in existence on April 16, 2012, that meets the requirements of this section, on or after April 16, 2012, shall be recognized as a school foundation.

Bartlett City Board of Education

Policy 2012 – School Support Organizations

INTRODUCTION
A school support organization is a booster club, foundation, parent teacher association, parent teacher organization, or any nongovernmental organization or group that collects money and/or property for the primary purpose of supporting a school club, a school, the District, or any of its academic, artistic, athletic, or social activities.

A group of persons who merely request donations be made to a school club, a school, the District, or any of its activities, or a group of persons who assist in fundraising under the sponsorship of a school employee and funds are turned over to the school to be used for the specific requested purpose shall not be considered a school support organization. Furthermore, a civic organization operating concessions or parking at school-sponsored events is not a school support organization subject to this policy.

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

REPORTING AND RECORDS
The Superintendent or his/her designee shall annually post a list of organizations that are recognized as school support organizations on the District website; however, the Board shall not incur any liability for the recognition. Any agreement, forms, annual reports, or financial statements submitted by the organization shall be open to public inspection as a public record.

PROCEDURES
The Superintendent shall create procedures to oversee the relationship between the Board and school support organizations. These procedures shall include, at a minimum, the following:

1. A school support organization must annually enter into a written agreement with the District prior to using the Bartlett City Schools name, mascot, or logo, or the name, mascot, or logo of any BCS school
2. Prior to entering into any agreement, a school support organization shall submit the following to the Superintendent or his/her designee:
   a. The organization’s charter, by-laws, annual report submitted to the Tennessee Secretary of State, and 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 telephone number, address, and position of each officer of the group or organization, including a designation of the group’s primary contact; and

¹ T.C.A. §49-2-601, et seq.
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, including but not limited to, a two signature method for issuing checks. The organization must demonstrate its two signature method for issuing checks prior to District approval.

3. Any agreement between the Board and a school support organization shall be in writing and signed by the Superintendent or his/her designee and an authorized agent of the 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;
   b. An agreement to indemnify the Board, the Superintendent, and all other agents of the District for the actions of the school support organization; and
   c. An agreement to annually confirm the organization’s status as a nonprofit and provide the address, telephone number, and position of each current officer.

4. The Superintendent shall designate a date prior to the beginning of the regular school year for the school support organization to submit annual forms to the Superintendent or his/her designee. Annual submissions should include, but not be limited to, updated organization information and a detailed treasurer’s report including all receipts and disbursements.

5. The school support organization shall at all times abide by applicable federal, state and local laws, ordinances, and regulations.

6. The school support organization shall maintain, at a minimum, a copy of its charter, bylaws, minutes, documentation of its recognition as a nonprofit organization, and detailed statements of all receipts and disbursements. The statements and records must be maintained for at least four (4) years.

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

8. Upon request, the school support organization shall provide access to all of its books, records, statements, and bank account information to the Board, the Superintendent or his/her designee, a school principal, or auditors of the Office of the Comptroller of the Treasury.

9. 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.

**FUNDRAISING**

Prior to undertaking any fundraising activity, a school support organization shall first obtain approval of the Superintendent or his/her designee. The Superintendent or his/her designee should consider, at a minimum, the following when approving or denying a request by a school support organization to engage in a fundraising activity:

1. Whether the fundraising activity, as scheduled, conflicts with a fundraising activity of the District or an individual school within the District; and
2. Whether the fundraising activity is consistent with the goals and mission of the school or District.

Any resulting approval shall not make the fundraising activity a school-sponsored activity.

Prior to commencing any fundraising activity in furtherance of a project intended to expand, modernize, renovate, or render maintenance to District owned property, the school support organization must submit the project to the school principal. No such proposal shall be approved until the principal receives written permission from the Superintendent or his/her designee.

**PROHIBITED PRACTICES**

A school representative may not act as a treasurer or bookkeeper for a school support organization or be a signatory on any organization checks. A majority of the voting members of any school support organization should not be composed of school representatives.

The organization must maintain bank information and tax exempt status separate from Bartlett City Schools. School support organizations may not use the District’s Employer Identification Number or tax-exempt status for any purpose.

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

**OPERATION OF A SCHOOL BOOKSTORE**

The principal 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 faculty, provided:

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 that would have been required pursuant to the provisions of the manual produced under T.C.A. §49-2-110 for student activity funds.

The Superintendent may provide such other procedures and forms as he or she deems necessary.

**CONCESSIONS AND PARKING**

The Superintendent or his/her designee 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. Any money payable to the school pursuant to the agreement with the principal will be considered school support group 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.
The Tennessee Comptroller has provided the following summary guidance for SSOs.

A school support organization must:

- File a copy of their charter with the Secretary of State.
- Maintain some organizational structure to the booster club (bylaws, officers, rules for meetings and membership, etc.)
- Maintain minimum procedures for accounting for and protecting the money raised.
- Get permission from the Director of Schools or his/her designee to conduct fundraisers.
- Keep up with records (copy of charter, list of officers and their contact information, bylaws, accounting policy/rules, total receipts and disbursements)
- Document and maintain a detailed list of receipts, disbursements, and meeting minutes for at least four (4) years.
- Annually file a statement of total revenues and disbursements with the Director of Schools or his/her designee by the end of the school year.
- Maintain adequate separation of duties between SSO officers and school employees who are in charge of the related school club or athletic group the SSO supports.
School Support Organization (“SSO”) Annual Checklist

The following checklist was created by the Bartlett City Schools Finance Department to help SSOs know when to submit certain forms and reports.

1. **Cooperative Agreement Form** – Submit by August 15 of each year. This form must be notarized and can be notarized by scheduling an appointment with the Board Secretary, Bethany Horn at 901-202-0855 ext. #2222 or bhorn@bartlettschools.org.

2. **Annual Information Form** – Submit by August 15 of each year. If the SSO elects officers during the school year, the organization should update this form with new officers and contact information.

3. **Annual Financial Report Form** – Submit by August 15 of each year. Review your calculations for accuracy before submitting. At a minimum, the financial information should be in the following format:
   a. Beginning Cash Balance (Date)
   b. Receipts
   c. Disbursements
   d. Ending Cash Balance (Date)

4. **Fundraiser Authorization Form** – Submit before the organization begins a fundraiser. SSO fundraisers require authorization from the school principal. If the fundraiser involves the entire student body or runs district-wide, approval must be obtained from the Superintendent or his/her designee.

5. **Fundraiser Collection Analysis Form** – Complete only if operating a concession stand at a school-sponsored event or a school bookstore. For concessions, complete and submit one form for each day the stand is operated. For bookstore operations, complete one form annually for the year’s bookstore activity.

6. **Count of Collection Form** – Complete only if collecting parking fees for school-sponsored events.

Please contact BCS Finance Department at (901) 202-0855 ext. #2245 or jkenley@bartlettschools.org with any questions.
Nonprofit Incorporation in the State of Tennessee

You are advised to consult an attorney or certified public accountant to complete the paperwork necessary to obtain nonprofit status. The following suggestions should not be considered a substitute for legal advice or a complete summary of the laws and procedures governing Tennessee nonprofit organizations. This handbook has been prepared solely as a reference tool. Should individuals have additional questions, they should be submitted to the Comptroller of the Treasury, Division of Municipal Audit at the following email address: mailto:TN.Municipal.Audit@state.tn.us

The law requires that a SSO maintain Tennessee nonprofit status and file a copy of its charter with the Tennessee Secretary of State. The State waives its standard One Hundred Dollar ($100.00) filing fee for the Form SS-4418. Bartlett City Schools encourages each school to have one SSO file a charter, and if desired, have other organizations under that umbrella. A SSO is not required to file with the IRS as a 501(c)(3) federally tax exempt corporation.

Step 1 – Obtain an Employer Identification Number (EIN)

- IF the SSO has not already done so, it must obtain an EIN from the IRS. A bank will require this number to open an account for the organization. SSOs may not use a school’s EIN. According to IRS regulations, if a SSO officer opens the account under his or her social security number, that individual must personally claim any interest earned on their personal income tax return.
- SSOs can obtain an EIN by going to www.irs.gov. Click on the tab at the top reserved for “Businesses.” Select “Employer 10 numbers” located down on the left side of the webpage. Scroll halfway down the page, and click on “Apply for an EIN Online.” A task wizard will ask the applicant questions and lead him or her through the process. At the end, the applicant can select to print the new EIN immediately or have it mailed to the registered address.

Step 2 – Determine What Type of Filing is Best for the SSO

- The State requires only that a SSO register as a nonprofit with the Tennessee Secretary of State. This registration is completed by submitting a SSO charter and a simple one (1) page form (Form SS-4418). Specific instructions may be found online at http://sos.tn.gov/sites/default/files/forms/ss-4418.pdf
- Each nonprofit registration is subject to a One Hundred Dollar ($100.00) filing fee, but the fee will be waived by selecting the appropriate “exempt” certification in Box 12. Also, the SSO may complete and submit a Statement of Exemption from Nonprofit Charter Filing Fee form (Form SS-4520).
- In addition to filing a charter with the State, a SSO may apply to become a 501(c)(3) tax exempt organization with the federal government. Without an approved 501(c)(3) status, donations to the SSO cannot be reported as tax deductible with the IRS, and the SSO will
not be regarded as exempt from paying sales tax. The IRS filing fee varies depending on the SSO’s expected revenue. The required forms, instructions, and additional information concerning 501(c)(3) status is available at www.irs.gov

Step 3 – File the Charter

- You may choose at this point to consult with an attorney or certified public accountant to complete the following paperwork. These instructions should not be considered a substitute for legal advice. Please be advised that in lieu of the state standard form, the SSO may contact an attorney to draft a specific, written charter for the SSO.
- File a charter for a nonprofit corporation with the Tennessee Secretary of State. Form SS-4418 may be located online at www.tn.gov.
- Once on the state website, select “Department of State Business Services” under the “Existing Businesses” section. Once on the “Department of State Business” page, click on “Corporations”. Select “Forms and Fees,” and scroll down until the heading “Forms for Nonprofit Corporations Only” appears. Click on “Forms for Nonprofit Corporations Only” and look for “Charter” Form SS-4418.
- Specific forms and instructions may be found online at http://sos.tn.gov/sites/default/files/forms/ss-4418.pdf.
- Fill out the form in its entirety. Be mindful that if the organization submits by-laws with the charter, then once amended, those by-laws must be refiled with the Secretary of State.
- Maintain an approved set of by-laws and all meeting minutes on file at the registered business address even if the SSO does not file them with the Secretary of State.
- Special Note: The State and the IRS require a few specific provision to be filed with the charter. If the SSO files its by-laws, include the provisions below. If the SSO does not file its by-laws, on a separate sheet of paper, include the following provisions:
  - Said Organization is organized exclusively for charitable, educational, or scientific purposes, within the meaning of section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future federal tax code). Notwithstanding any other provision of these bylaws, the Organization shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future federal tax code).
  - Upon dissolution of this Organization, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, i.e. charitable, educational, religious, or scientific, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government for a public use.
- Upon receiving the approval document from the Secretary of State, the SSO should include a copy of this document with its initial filings with Bartlett City Schools.
- If the SSO has chosen NOT to file for tax exempt status under Section 501(c)(3) of the Internal Revenue Code, then this step completes the SSO’s requirement to register as a Tennessee nonprofit.
Step 4 – Filing for Federal Tax Exempt Status under Section 501(c)(3)

- A SSO applicant should have a set of approved by-laws, an EIN, and an approved state charter before filing for tax exempt status with the IRS.

- Nothing in the SSOFAA requires SSOs to be recognized as 501(c)(3) organizations. Although not required, filing for and receiving 501(c)(3) exemption from the IRS allows the organization to benefit from the advantages of such status. Each individual organization is advised to consult with a certified public accountant and/or licensed tax professional for questions regarding 501(c)(3) status and potential tax implications associated with such status.

- Form 1023 is the document filed with the IRS for tax exempt status. Visit www.irs.gov and select “More Forms and Publications”. Scroll to the Businesses section of the window, and select “Form 1023”. It may also be found at the following hyperlink: https://www.irs.gov/pub/irs-pdf/f1023.pdf

- Please visit the following sites for further information: https://www.irs.gov/Charities-&-Non-Profits/Applying-for-Tax-Exempt-Status

- Upon receipt of 501(c)(3) status, the SSO should contact the Tennessee Department of Revenue for information relating to obtaining approval for sales tax exemption. The SSO will only receive an exemption from sales tax for items used by the organization. Any item purchased for re-sale is subject to sale and/or use tax. SSOs may find all appropriate forms related to tax exemptions at https://www.tn.gov/revenue/section/taxes
Business Services Division
Tre Hargett, Secretary of State
State of Tennessee

INSTRUCTIONS

CHARTER
NONPROFIT CORPORATION

Filing Fee: $100

A Nonprofit Corporation Charter may be filed using one of the following methods:

- **E-file**: Go to [http://tnbear.tn.gov/NewBiz](http://tnbear.tn.gov/NewBiz) and use the online tool to complete the charter and pay the filing fee by credit card or debit card. When paying by credit card or debit card, there is a convenience fee that covers the credit card fees and transaction costs incurred by the Business Services Division when accepting online payments. Applicants who do not wish to pay the convenience fee to file online may choose the “Print and Mail” option at no additional cost.

- **Print and Mail**: Go to [http://tnbear.tn.gov/NewBiz](http://tnbear.tn.gov/NewBiz) and use the online tool to complete the charter. Print and mail the charter along with the required filing fee to the Secretary of State’s office at 6th FL – Snodgrass Tower ATTN: Corporate Filing, 312 Rosa L. Parks AVE, Nashville, TN 37243.

- **Paper submission**: A blank charter may be obtained by going to [http://www.tn.gov/sos/forms/ss-4418.pdf](http://www.tn.gov/sos/forms/ss-4418.pdf), by emailing the Secretary of State at Business.Services@tn.gov, or by calling (615) 741-2286. The charter is printed in ink or computer generated and mailed along with the required filing fee to the Secretary of State’s office at 6th FL – Snodgrass Tower ATTN: Corporate Filing, 312 Rosa L. Parks AVE, Nashville, TN 37243.

- **Walk-in**: A blank charter form may be obtained in person at the Secretary of State Business Services Division located at 6th FL – Snodgrass Tower, 312 Rosa L. Parks AVE, Nashville, TN 37243.

A Nonprofit Corporation Charter must be accurately completed in its entirety. Forms that are inaccurate, incomplete or illegible will be rejected.

A Nonprofit Corporation Charter sets forth the items required under T.C.A. § 48-52-102.

CHARTER

1. **The name of the corporation is** - Enter the proposed name of the corporation. The name of a new corporation must meet the requirements of T.C.A. § 48-54-101.

   If a corporation’s name contains the word “bank”, “banks”, “banking”, “credit union” or “trust”, written approval must first be obtained from the Tennessee Department of Financial Institutions before documents can
be accepted for filing with the Division of Business Services. You may contact the Tennessee Department of Financial Institutions at (615) 741-2236.

If a corporation’s name contains the phrase “insurance company”, written approval must first be obtained from the Tennessee Department of Commerce & Insurance before documents can be accepted for filing with the Division of Business Services. You may reach the Tennessee Department of Commerce & Insurance at (615) 741-2241.

2. **Name Consent: (Written Consent for Use of Indistinguishable Name)** – An applicant corporation can request to use a name that is not distinguishable from the name used by an existing business under certain circumstances detailed in T.C.A. § 48-54-101(c). Indicate name consent by checking. If checked, the charter must be accompanied by an application to use an indistinguishable name, accompanied by payment of an additional $20 filing fee. The application must set forth the appropriate criteria for name duplication as described in the Act.

3. **This company has the additional designation of** – If applicable to the specific nature of the corporation, enter any additional designation, including:
   - Bank
   - Captive Insurance Company
   - Credit Union
   - Insurance Company
   - Litigation Financier
   - Massachusetts Trust
   - School Support Organization
   - Trust Company

4. **The name and complete address of its initial registered agent and office located in the state of Tennessee is** – Enter the name of the corporation’s initial registered agent, the street address, city, state and zip code of the corporation’s initial registered office located in Tennessee and the county in which the office is located. The address will be verified and formatted to United States Postal Service address deliverability guidelines. If the address cannot be recognized as deliverable by the United States Postal Service, the form will be rejected by the Division of Business Services. A post office box is not acceptable for the registered agent/office address.

5. **Fiscal Year Close Month** – Enter the month of the year that concludes the corporation’s fiscal year. If a fiscal year close month is not indicated, the Division of Business Services will list the fiscal year close month as December by default. Please note that T.C.A. §48-66-203 requires corporations to file an annual report with the Secretary of State on or before the first day of the fourth month following the end of the close of the corporation’s fiscal year.

   **Period of Duration if not perpetual** – Indicate if the duration of the corporation is perpetual or has a specific end date by checking the appropriate box. If “other” is checked, indicate the specific date on which the duration of the corporation’s existence will end.

6. **If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is** – If the existence of the corporation is to begin upon a future date, enter the future date. In no event can the future date or the actual occurrence of the specific event be more than ninety calendar days from the filing of the charter.

7. **The corporation is not for profit** – By signing the charter the filer acknowledges this statement to be true.

8. **Please complete all of the following sentences by checking one of the two boxes in each sentence** – By checking the appropriate boxes, indicate whether the corporation
   - Is a public benefit corporation or a mutual benefit corporation.
   - Is a religious corporation or is not a religious corporation.
   - Has members or does not have members.
9. **The complete address of its principal executive office is** – Enter the street address, city, state and zip code of the principal executive office of the corporation and the county in which the office is located. The address will be verified and formatted to United States Postal Service address deliverability guidelines. If the address cannot be recognized as deliverable by the United States Postal Service, the form will be rejected by the Division of Business Services unless a deliverable mailing address is also provided. A post office box is not acceptable for the principal office address.

10. **The complete mailing address of the entity (if different from the principal office) is** – If notifications from the Division of Business Services should be sent to an address other than the principal office address, enter that address. The address will be verified and formatted to United States Postal Service address deliverability guidelines. If the address cannot be recognized as deliverable by the United States Postal Service, the form will be rejected by the Division of Business Services. A post office box address is acceptable for a mailing address.

11. **List the name and complete address of each incorporator** – Addresses should include street address, city, state and zip code. The signer of the charter must be an incorporator listed in this section.

12. **School Organization** – If “School Organization – Exempt” is indicated in section 3, check the box stating that “I certify that pursuant to T.C.A. § 49-2-611, this nonprofit corporation is exempt from the $100 filing fee required by § 48-51-303(a)(1)”. In addition, check the one of the remaining two boxes that pertains to this nonprofit corporation.

   - **This nonprofit corporation is a “school support organization “ as defined in T.C.A. § 49-2-603(4)(A)**
     Check this box if the nonprofit corporation is 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, that collects or receives money, materials, property or securities from students, parents, or members of the general public.

   - **This nonprofit corporation is an educational institution as defined in T.C.A. § 48-101-502(b)** – Check this box if this nonprofit corporation is an organization organized and operated exclusively for educational purposes and which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on, and which is accredited by a recognized accrediting agency. Included in this definition are organizations composed of parents of students and other persons connected with the institution, which are organized and operated for the purpose of conducting activities in support of the operations or extracurricular activities of such institutions. “Educational institution” also includes private foundations soliciting contributions exclusively for such organizations.

13. **Insert here the provisions regarding the distribution of assets upon dissolution** - Enter the corporation’s provisions regarding the distribution of its assets upon its dissolution.

14. **Other Provisions** – Including any further information in this space is strictly optional. Use this section to set forth other details of the corporation that are not required to be included in the charter. Such items could include the initial board of directors, the business purpose of the corporation, the names of corporate management, and provisions regulating the powers and rights of the corporation, its board of directors and its shareholders.
SIGNATURE

- The person executing the document must sign it and indicate the date of signature in the appropriate spaces. The signer must be an incorporator listed in Section 11 of the charter. **Failure to sign and date the application will result in the application being rejected.**

- **Type or Print Name.** *Failure to type or print the signature name and title of the signer will result in the application being rejected.*

FILING FEE

- The filing fee for a charter is **$100.**

- Make check, cashier’s check or money order payable to the Tennessee Secretary of State. Cash is only accepted for walk-in filings. **Charters submitted without the proper filing fee will be rejected.** Checks, cashier’s checks or money orders made out to any payee other than the Tennessee Secretary of State will not be accepted and will result in the rejection of document.
The undersigned, acting as incorporator(s) of a nonprofit corporation under the provisions of the Tennessee Nonprofit Corporation Act, adopt the following Articles of Incorporation.

1. The name of the corporation is:  

2. Name Consent: (Written Consent for Use of Indistinguishable Name)  
   □ This entity name already exists in Tennessee and has received name consent from the existing entity.

3. This company has the additional designation of:  

4. The name and complete address of the initial registered agent and office located in the state of Tennessee is:  
   Name:  
   Address:  
   City:  
   State:  
   Zip Code:  
   County:  

5. Fiscal Year Close Month:  
   Period of Duration:  
   □ Perpetual  
   □ Other  
   Month  
   Day  
   Year

6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is:  
   (Not to exceed 90 days)  
   Effective Date:  
   Month  
   Day  
   Year  
   Time:  

7. The corporation is not for profit.

8. Please complete all of the following sentences by checking one of the two boxes in each sentence:  
   This corporation is a  
   □ public benefit corporation /  
   □ mutual benefit corporation.  
   This corporation is a  
   □ religious corporation /  
   □ not a religious corporation.  
   This corporation will  
   □ have members /  
   □ not have members.

9. The complete address of its principal executive office is:  
   Address:  
   City:  
   State:  
   Zip Code:  
   County:  

*Note: Pursuant to T.C.A. §10-7-503 all information on this form is public record.

Submitter Information: Name:  
Phone #: (  

Page 22 of 52
The name of the corporation is: 

10. The complete mailing address of the entity (if different from the principal office) is:
   Address: ____________________________
   City: __________________ State: _______ Zip Code: __________ 

11. List the name and complete address of each incorporator:

<table>
<thead>
<tr>
<th>Name</th>
<th>Business Address</th>
<th>City, State, Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. **School Organization**: (required if the additional designation of “School Organization - Exempt” is entered in section 3.)
   I certify that pursuant to T.C.A. §49-2-611, this nonprofit corporation is exempt from the $100 filing fee required by §48-51-303(a)(1).
   This nonprofit corporation is a “school support organization” as defined in T.C.A §49-2-603(4)(A).
   This nonprofit corporation is an educational institution as defined in T.C.A. §48-101-502(b).

13. Insert here the provisions regarding the distribution of assets upon dissolution:

14. Other Provisions:

*Note: Pursuant to T.C.A. §10-7-503 all information on this form is public record.*

Signature Date ____________________________________  
Incorporator’s Signature ____________________________

Incorporator’s Name (printed or typed) ______________________
Bartlett City Schools
School Support Organization Cooperative Agreement

The following Agreement must be executed and returned prior to August 15th each year

I. PREAMBLE

This Cooperative Agreement (“Agreement”) is made and entered into by and between the Bartlett City Board of Education (“Board”) and the School Support Organization (“SSO”):

___________________________________________ (Name)

The following documentation shall be submitted with this Agreement:

1. Annual Information Form;
2. Annual Financial Report Form; and
3. Annual Report submitted to the Tennessee Secretary of State

II. SSO REPRESENTATIONS

The SSO represents that it is a registered not-for-profit corporation organized under the laws of Tennessee and that it will maintain this status for the duration of its activities hereunder.

The SSO represents that its mission is accurately reflected on its Annual Information Form submitted to the Bartlett City Schools Finance Department.

The SSO represents that it currently abides by and will continue to abide by any and all applicable federal, state, and local laws, ordinances, regulations, and Board policies in its activities.

The SSO represents that it maintains, and for financial records, will continue to maintain for at least four (4) years, the following: Charter, bylaws, minutes, documentation of non-profit status, and detailed statements of receipts and disbursements.

The SSO represents that it maintains a written policy whereby its officers appropriately account for, control for, and safeguard SSO funds to ensure such funds are spent only for purposes related to the SSO’s stated goals and objectives, and such policy has been submitted to the Board.

The SSO represents that upon request, Board officials, Bartlett City Schools administrators, and/or auditors of the Office of the Comptroller of the Treasury shall be permitted access to all SSO books, records, and bank account information.

The SSO represents that all statements and materials provided to the Board in its application for recognition as reflected in this Agreement are true and correct to the best of its knowledge.
The SSO represents that its signatories below have the full and necessary authority to execute the Agreement on behalf of the SSO and all necessary resolutions or approvals, if any, from the SSO have been obtained.

III. BOARD REPRESENTATIONS

The Board represents that upon execution or renewal of this Agreement, the SSO will be regarded as a Board recognized school support organization of Bartlett City Schools for one (1) year. The Board grants the Superintendent or his/her designee the authority to enter into this Agreement on behalf of Bartlett City Schools.

The Board represents that pursuant to Board policy and consistent with the SSO’s mission to advance the objectives and priorities of the Board, the SSO may use the name, mascot, or logo of a school or of the District to raise money, materials, property, securities, services, or other things of value.

The Board represents that its signatories below have the full and necessary authority to execute the Agreement on behalf of the Board and all necessary resolutions or approvals, if any, from the Board have been obtained.

IV. INDEMNIFICATION

The SSO hereby agrees to indemnify and hold harmless the Board, the Superintendent, its employees, officers, directors, and agents, from and against any and all actions, claims, losses, costs, liabilities, damages, and expense including, but not limited to, reasonable attorneys’ fees, which may in any manner arise or are alleged to have arisen from the acts, omissions, or wrongful conduct of the SSO or any of its employees, officers, agents, or assigns in connection with the SSO’s activities under this Agreement.

V. FINANCIAL STATEMENTS

The SSO, upon full execution of this Agreement, agrees to submit an annual financial statement of receipts and disbursements to the Bartlett City Schools Finance Department each year by August 15th. Further, the SSO acknowledges and agrees that any forms, annual reports, or financial statements shall be open to public inspection as a public record, and the SSO is subject to audit by the Office of the Comptroller of the Treasury.

VI. FUNDRAISING

The SSO shall obtain the approval of the Superintendent or his/her designee before undertaking any fundraising activity. The SSO acknowledges and agrees that it will review and maintain awareness of the District’s Platinum Sponsors list and will refrain from engaging those persons or entities in fundraising activities. Specifically, the SSO shall not contact recognized BCS Platinum Sponsors to solicit any donations or advertising opportunities.
VII. PROHIBITED ACTIONS

The SSO understands that it may not engage in any of the following prohibited actions. Further, the SSO agrees and acknowledges that failure to abide by Board policies governing SSOs or participation in any prohibited action, including but not limited to the actions specified in this Section, shall constitute grounds for suspension or termination of this Agreement.

A. The SSO may not use a school or the District’s sales tax exemption to purchase items.

B. The SSO may not represent or imply that its activities, contracts, purchases, or financial commitments are made on behalf of or are binding upon any Bartlett school, the District, or the Bartlett City Board of education.

C. The SSO may not use SSO funds for a purpose other than those related to its goals and objectives that relate to supporting the District, a school, or District academic, artistic, athletic, or social activities.

D. The SSO may not use the employer identification number (EIN) of the District, a school, or any other school related governmental entity.

E. The SSO may not establish a majority of voting members from school representatives.

F. The SSO may not have as its treasurer or bookkeeper a school representative, and no school representative shall be a signatory on any SSO checks.

VIII. AUTHENTICATION OF INFORMATION

Each school year, the SSO shall send notice to the Bartlett City Schools Finance Department verifying the authenticity of previously provided information. In the event the previous year’s information is no longer accurate, all corrections shall be submitted no later than August 15th annually.

IX. TERMINATION

The Board may, at its sole discretion, terminate this Agreement if it is determined that it is not in the best interest of the District to continue such affiliation, cooperation, and/or working relationship.
For the Bartlett City Board of Education:

Superintendent, Bartlett City Schools  Date

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, __________________________, a Notary Public of the State and County aforesaid, personally appeared __________________________, with whom I am personally acquainted, and who, upon oath, acknowledged himself/herself to be a representative of the aforesaid school district, and that he/she, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

Witness my hand an official seal at __________________________, Tennessee this _____ day of __________________________, 20__.

______________________________
Notary Public
My Commission Expires: ______________________
For the SSO:

__________________________________
__________________________________
President, SSO Date

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, __________________________, a Notary Public of the State and County aforesaid, personally appeared __________________________, with whom I am personally acquainted, and who, upon oath, acknowledged himself/herself to be a representative of the aforesaid school support organization, and that he/she, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

Witness my hand an official seal at __________________________, Tennessee this ______ day of __________________________, 20___.

________________________________________
Notary Public
My Commission Expires: __________________________
Bartlett City Schools
Support Organization Annual Information Form

School Year (or Month) Ending ______________________________________________

Organization Name ________________________________________________________

Goals and Objectives of Organization (Fill out if this is your first filing or if you have a change)

☐ No change from previous year.
☐ First filing or change. Please explain.

_________________________________________________________________________

_________________________________________________________________________

_________________________________________________________________________

_________________________________________________________________________

Status
☐ Nonprofit
☐ Foundation
☐ Chartered member of nonprofit organization or foundation

(Attach supporting documentation for status, e.g., annual report filed with Secretary of State)

Officers:

President_______________________________________ Phone# _______________
Address________________________________________ Email_________________

Vice-President__________________________________ Phone# _______________
Address________________________________________ Email_________________

Treasurer ________________________________ Phone# ______________
Address________________________________________ Email_________________

Secretary______________________________________ Phone# ______________
Address________________________________________ Email_________________

Other_________________________________________ Phone# ______________
Address________________________________________ Email_________________

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Bartlett City Schools
School Support Organization Annual (or Monthly) Financial Report

School Year (or Month) ____________________________________________

Organization Name ________________________________________________

President ________________________ Email _____________________________ Phone# ____________

Treasurer _______________________ Email _____________________________ Phone# ____________

1. Objectives and activities completed by the organization:
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

2. Money in account at the beginning of the school year (or month)  $____________

3. Money raised during the school year (or month) by activity or fundraiser
   A. ___________________________________________ $__________________
   B. ___________________________________________ $__________________
   C. ___________________________________________ $__________________
   D. ___________________________________________ $__________________
   E. ___________________________________________ $__________________

   Total Revenue for the school year (or month)  $__________________

4. Activities, equipment, materials, services, etc. purchased
   A. ___________________________________________ $__________________
   B. ___________________________________________ $__________________
   C. ___________________________________________ $__________________
   D. ___________________________________________ $__________________
   E. ___________________________________________ $__________________

   Total Expenditures for school year (or month)  $__________________

5. Money in the account at the end of the school year (or month)  $____________

Preparer’s Signature ___________________________ Date ________________
Bartlett City Schools Fundraiser Guidelines

Tennessee law distinguishes between BCS sponsored events (“school sponsored”) and SSO sponsored events (“booster events”), and the funds raised through these events are considered different as well. SSO funds “include all money, materials, property or securities raised by a school support organization or any organization that represents itself to students, parents or members of the general public to be a school support organization.” However, school sponsored events generate school funds, better known as student activity funds.

When a SSO sponsors a fundraiser, the PTA/PTO or booster club is responsible for completing the fundraiser authorization form, arranging all facility use agreements, and collecting and accounting for the money. These procedures apply even if the fundraiser is held during the school day with students and teachers participating. The sponsoring group always assumes responsibility for the fundraiser. Similarly, a principal can grant permission to a SSO to operate a bookstore, concession stand, or parking lot on school grounds as long as the SSO runs, collects, and accounts for the funds in accordance with Board Policy 2012. Please see the Board’s policy and contact the BCS Finance Department for additional information regarding bookstores, concessions, and parking collections.

Prior to undertaking any fundraising activity, a SSO shall first obtain approval of the Superintendent or his/her designee. The Superintendent has designated different designees for different types of fundraisers. For example, district-wide or school-wide fundraiser requests should be submitted to the BCS Finance Department. However, SSO fundraiser requests for school clubs and non-athletic school activities (band, chorus, etc.) should be submitted directly to the school principal. Finally, fundraiser requests for all athletic SSOs will be submitted to and approved by the District Athletic Director. In accordance with Board Policy 2012, please be reminded that a SSO must submit to the principal any fundraising activity sponsoring a project that is intended to expand, modernize, renovate or render maintenance to district-owned property. Principal approval is always required for fundraising efforts that impact district-owned property.

When planning fundraising activities, please be mindful of the SSO responsibilities located in the Cooperative Agreement. A SSO should maintain awareness of the District’s Platinum Sponsors list and refrain from engaging those persons or entities in fundraising activities. Specifically, the SSO shall not contact recognized BCS Platinum Sponsors to solicit any donations or advertising opportunities.

Once the District has approved the SSO fundraiser, money will start coming in. Under certain circumstances, Board Policy allows students to turn in money collected outside of school for a SSO fundraiser during the school day. The money must be returned in a sealed envelope, and school staff members must act as a “pass through” in turning the money over to the appropriate SSO representative. The school and its employees may not open the envelope, handle, or account for the money.
Bartlett City Schools Fundraiser Authorization Form

(Must be in the office of the Superintendent/Designee two weeks prior to the commencement of the activity if involves general student body in marketing the fundraiser.)

<table>
<thead>
<tr>
<th>School</th>
<th>Fund/Account name</th>
<th>Sponsor</th>
<th>Current Balance of Fund/Account</th>
<th>Date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Proposed Fundraising Activity</th>
<th>Purpose of Fundraiser</th>
<th>Secondary purpose if an overage of expected income occurs</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Anticipated date(s) of fundraiser</th>
<th>Beginning</th>
<th>Ending</th>
</tr>
</thead>
</table>

| Expected student involvement (school wide or specific school organization) |

<table>
<thead>
<tr>
<th>Means by which school will receive profit (circle one)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check from Vendor/Organization or Cash collection w/ expenses paid by school</td>
</tr>
</tbody>
</table>

If vendor contract or standard Bartlett City Schools contract is used, please attach.

<table>
<thead>
<tr>
<th>Requested by</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name/Title</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approved by</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approved by</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superintendent/Designee</td>
<td></td>
</tr>
</tbody>
</table>

File for Auditor’s review.
TN Comptroller of the Treasury
Model Financial Policy for
School Support Organizations
Model Financial Policy

Preface

Public Chapter 326, amending *Tennessee Code Annotated*, Title 49, Chapter 2, requires that school support organizations “adopt and maintain a written policy which specifies reasonable procedures for accounting, controlling and safeguarding any money, materials, property or securities collected or disbursed by it.” The statute further authorizes the comptroller of the treasury to prepare such a model financial policy for the school support organizations.

The “Model Financial Policy for School Support Organizations” fulfills this responsibility. It is intended to provide minimum internal controls to assist members and officers in improving accountability over school support organization funds. In addition, it provides recommendations for procedures that are considered a supplement to the required minimum procedures. The manual also includes basic contact information as well as some sample forms.
**Required controls**

1. To comply with the statute, the organization must register (incorporate as a nonprofit) with the Secretary of State’s office.

2. The 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. (Refer to sample reports.)

3. Organizations must not use the school’s Employer Identification Number or sales tax exemption for any purpose.

4. The identity of the authorized banking institution, authorized bank account(s), and authorized signatories should be included in the minutes.

5. The name on any bank account, security, or other investment should be that of the incorporated support organization.

6. The titled owner to any property (vehicle, computer, land, etc.) should be the incorporated support organization.

7. Materials, supplies, and fundraising product inventory should be stored at a location and in a manner to prevent spoilage or pilfering. An effort should be made to account for supply and inventory items.

8. All bills should be paid by check, never cash. Presigning blank checks should be prohibited.

9. For disbursements, prenumbered bank checks should be used that require two signatures.

10. 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. When a receipt or invoice is not available, a written document, signed by the treasurer, describing the expenditure and explaining why no other documentation is provided, should be created and filed.

11. A receipt should be issued any time, and at the time, cash is turned over to or collected by the treasurer acting in his/her official capacity as treasurer of the school support organization. The receipts should be prenumbered and kept in a bound book. One copy should be maintained in the receipt book.

12. 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 and
the individuals should recount the collections. The treasurer should then immediately issue a receipt to the individuals. The count sheet should be filed by the treasurer.

13. 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. (Refer to Sections 4 and 5 of the manual available online at http://tennessee.gov/education/support/doc/July2011TISUAPM.pdf.)

14. Collections should be deposited in the bank in a timely manner. Deposit slips should include an itemized listing of checks.

15. The treasurer should provide a signed summary of collections and disbursements to organization officers on a monthly basis. (Refer to sample reports.)

16. Bank accounts should be reconciled promptly. A copy of the bank statement and imaged checks should be included in the minutes.

17. 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.

18. 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.

19. The organization should contact the Comptroller of the Treasury, Division of Local Government Audit, at (615) 401-7841 if fraud is suspected.

Other recommendations

1. Schools’ and support organizations’ sales and use tax exemption does not exempt them from taxes due on items purchased for resale. To avoid liabilities for sales tax due to the state and any related penalties, the organization should comply with state sales tax statutes (Section 67-6-102, Tennessee Code Annotated) by remitting sales tax to the vendor or use tax to the Tennessee Department of Revenue for applicable purchases of products intended for resale.

2. Financial responsibilities should be separated whenever possible. One person should not have complete control of the organization’s finances. Periodic review of bank statements and other documentation by other officers or members helps detect errors and enhances the integrity of financial information.
3. Systematic analysis of fundraising events should be performed whenever possible to help identify the most successful events. To assist in the transition for incoming treasurers, a treasurer’s manual (simply a checklist of monthly and annual duties) should be prepared.

4. Designate a support organization officer as custodian of records. This officer would maintain the financial and other entity records in an organized manner and protect them from damage. The records would be turned over to the subsequently elected and designated officer.

5. To provide an independent review of the organization’s records and financial activity, the organization should form a financial review committee or designate a member as financial reviewer. (Refer to sample reports.) That role could also function to ensure compliance with Internal Revenue Service, nonprofit, or other state laws and regulations. The treasurer should not serve on the financial review committee or be designated the financial reviewer.
Contact Information

Comptroller of the Treasury
Division of Local Government Audit
Suite 1500
James K. Polk State Office Building
Nashville, TN 37243-1402
Phone: 615-401-7841
http://www.comptroller.tn.gov/la/index.asp

Fraud Waste and Abuse Hotline
1-800-232-5454

Tennessee Secretary of State
Information related to obtaining nonprofit status from the State of Tennessee

Division of Business Services
312 Rosa L. Parks Avenue
Snodgrass Tower, 6th Floor Nashville, TN 37243
Phone: (615) 741-2286
http://www.tennessee.gov/sos/bus_svc/forms.htm#nonprofit

Tennessee Department of Revenue
Information related to obtaining state sales and use tax exemption

Statewide toll-free: (800) 342-1003
Nashville and out-of-state: (615) 253-0600
http://www.tn.gov/revenue/index.shtml

Internal Revenue Service
Application for Employer Identification Number
Information related to obtaining 501 (federal) tax exempt status
# Support Organization Annual (or Monthly) Financial Report

School Year (or Month) Ending ______

Organization Name ____________________________________________________________

President_________________________ Phone Number__________________________

Treasurer_________________________ Phone Number__________________________

1. Objectives and activities completed by the organization:

   __________________________________________________________

   __________________________________________________________

   __________________________________________________________

2. Money in account at the beginning of the school year (or month): $___________

3. Money raised during the school year (or month) (by activity or fundraiser):

   A. _______________________________ $____________________
   B. _______________________________ $____________________
   C. _______________________________ $____________________
   D. _______________________________ $____________________
   E. _______________________________ $____________________

   **Total revenue for the school year (or month)** $____________________

4. Activities, equipment, materials, services, etc., purchased:

   A. _______________________________ $____________________
   B. _______________________________ $____________________
   C. _______________________________ $____________________
   D. _______________________________ $____________________
   E. _______________________________ $____________________

   **Total expenditures for the school year (or month)** $____________________

5. Money in account at end of school year (or month) $____________________

_________________________________________  ____________________________

Preparer’s Signature                          Date

*Distribution to director/designee at completion of fiscal year*
Support Organization Financial Review and Inspection

Name of Support Organization ________________________________
Date ______________________

The reviewer/review committee members named below have reviewed the financial reports and related financial activity for the time period of ______________ through ______________, in detail. I/we agree that the financial report, related financial activity and records and documentation are (check one):

☐ Correct and adequate
☐ Correct and adequate, with the exceptions listed below
☐ Incorrect and/or incomplete

1) __________________________________________
2) __________________________________________
3) __________________________________________
4) __________________________________________
5) __________________________________________
6) __________________________________________

To prevent the above exceptions from occurring in the future, the following steps should be taken: (list actions)

1) __________________________________________
2) __________________________________________
3) __________________________________________
4) __________________________________________
5) __________________________________________
6) __________________________________________

Overview of Financial Activity (prepared by reviewer/committee)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Balance on Hand (date of last review)</td>
<td>$ ______________</td>
</tr>
<tr>
<td>Receipts (from last review to date of current review)</td>
<td>$ ______________</td>
</tr>
<tr>
<td>Disbursements (from last review to date of current review)</td>
<td>$ ______________</td>
</tr>
<tr>
<td>Balance on Hand (date of review)</td>
<td>$ ______________</td>
</tr>
</tbody>
</table>

_________________________       _________________________
Reviewer                      Date
<table>
<thead>
<tr>
<th>Number</th>
<th>Printed Name</th>
<th>Officer Title</th>
<th>Member Signature</th>
<th>Date</th>
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</tbody>
</table>

I have read and understand the exceptions, if any, noted above.

__________________________  __________________________
Treasurer                  Date
Support Organization Annual Information Form

School Year Ending _________

Organization Name ________________________________________________________________

Goals and Objectives of Organization (Fill out if this is your first filing or if you have a change)

☐ No change from previous year.
☐ First filing or change. Please explain.

_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________

Status

☐ Nonprofit
☐ Foundation
☐ Chartered member of nonprofit organization or foundation

(For initial filing, or if status has changed, attach supporting documentation for status, e.g., annual report filed with Secretary of State.)

Officers

President ___________________________ Phone Number______________
Address ________________________________________________________________

Vice-President ______________________ Phone Number______________
Address ________________________________________________________________

Treasurer __________________________ Phone Number______________
Address ________________________________________________________________

Secretary __________________________ Phone Number______________
Address ________________________________________________________________

Other ______________________________ Phone Number______________
Address ________________________________________________________________

Other ______________________________ Phone Number______________
Address ________________________________________________________________

Distribution to director/designee at completion of fiscal year
Tennessee Comptroller of the Treasury Frequently Asked Questions for SSOs

FOREWORD

It was the intent of this office, when creating the following questions and answers, to apply the School Support Organization Financial Accountability Act of 2007 (hereinafter referred to as the “SSOFAA”) to various scenarios that may arise in the day-to-day operations of schools and their valuable support organizations. The responses to the questions were crafted in a way so as to adhere to the language of the statute while also preserving the legislative intent of the Act. It is apparent from Section 3 of the Act, that the General Assembly recognizes the importance of school support organizations and does not wish to create any hindrance to their objectives and desires, which are to assist and promote educational and extracurricular activities in the local school systems. The chief concern of the General Assembly, however, appears to be the implementation of greatly needed guidelines to ensure that all the funds raised for students and education are used for the benefit of students and education. Alarming, this office investigates numerous instances of theft and fraud every year which costs school support organizations and schools tens of thousands of dollars. This legislation was designed to prevent such a loss of funds and to enact safeguards to protect students, schools, and school support organizations. Any controls mandated by the Act pale in comparison to the overall statewide need to protect schools and school support organizations from theft and fraud, and to ensure that funds intended to benefit children and their education are used accordingly.

DISCLAIMER

The following questions and answers are intended to provide guidelines that individuals and entities may choose to follow. The views expressed in the question and answer session are not the views or policies of the Comptroller, the Secretary of State, the Department of Revenue, the General Assembly, or the Governor. What follows are merely suggestions on how to read the SSOFAA in order to encourage continued cooperation and support between school support organizations and schools amidst the changes required under the legislation. The answers provided hereinafter are not statements of the law nor are they the opinions of the State Attorney General as to how a court would interpret the Act, but rather reasonable parameters within which the school support organizations and schools can operate. However, adherence to the law remains solely the responsibility of the individual school support organization or school and the following answers cannot be used as a defense to any civil or criminal violations that may occur from noncompliance with the Act. Should individuals have additional questions, they should be submitted to the Comptroller of the Treasury, Division of Municipal Audit at the following e-mail address:

mailto:TN.Municipal.Audit@state.tn.us
(as amended, 2008)

Some changes were made this year to the School Support Organization Financial Accountability Act of 2007. The following is a brief discussion of those changes and how they affect school support organizations, schools, and fundraisers.

Student Activity Funds:

The definition of “Student Activity Funds” changed this year and reflects the distinction between “school sponsored” events and “school support organization” sponsored events. Previously, the law did not distinguish between a “school-sponsored” or “support organization-sponsored” fundraiser. So long as the fundraiser involved a social, art, academic, or athletic event involving students where money was made, they were “student activity funds.” However, the 2008 Amendment changed the language so that if the booster club or support organization sponsors the fundraiser, then the SSO is responsible for collecting and accounting for the money, even if the fundraiser is held on school property during the school day with students and teachers involved. Generally, it depends on who assumes responsibility for the fundraiser and sponsors the event.

Filing a copy of your charter with the Secretary of State:

The law still requires that an SSO file a copy of its charter with the Secretary of State. However, the 2008 Amendment waives the One Hundred Dollar filing fee with the Secretary of State. (That does not waive any fees that are associated with the corporation’s annual report, just the initial $100 fee for the Form SS-4418)

The 2008 Amendment also clarified who is considered an SSO and thereby required to file as a nonprofit and who is not. The Amendment makes it more clear that a group of people or volunteers, who assist in the raising of funds for a specific purpose under the sponsorship of the school or a school employee, where the funds are turned over to and accounted for by the school, are not considered to be an SSO. Such groups of people do not have to file a charter with the Secretary of State and comply with the requirements of this Act if that group of people or volunteers just assists the school and the school is responsible for the fundraising and accounting of the money. But, importantly, if the money was raised for a specific purpose, it must be spent on that specific purpose, according to the Tennessee Internal School Uniform Accounting Policy Manual. This allows smaller groups, who do not wish to incorporate or maintain records of their fundraising efforts and keep bylaws, etc., to continue to raise money to support schools and programs at those schools, while alleviating their responsibility of accounting and safeguarding the money thereby shifting the financial responsibility to the school.

Filing as a 501(c)(3) with the IRS:

Under the SSOFAA of 2007 and as amended in 2008, a school support organization does not have to file with the IRS as a 501(c)(3) federally tax exempt corporation.
**Turning in fundraising money for an SSO fundraiser at school:**

With approval from the principal and pursuant to board policy, students can turn in money collected outside of school for a booster club/SSO fundraiser during the school day, so long as the money is in a sealed envelope and never opened by anyone other than the member of the SSO responsible for handling that money. The school and its employees who take up the envelopes merely act as a “pass through” for the sealed envelopes and the funds inside, on behalf of the SSO. There can be no accounting for the funds at the school by school personnel or employees.

**Boosters and bookstores:**

A principal can grant permission to a booster club/SSO to operate a bookstore located on school grounds as long as the booster club/SSO runs, collects and accounts for the money and spends 100% of the profits in support of the school. The booster club/SSO is required to comply with the Tennessee Internal School Uniform Accounting Policy Manual (ISUAPM) when handling, collecting and accounting for the money at the bookstore.
QUESTIONS AND ANSWERS
Updated June 2008

FREQUENTLY ASKED QUESTIONS


1. Does the SSOFAA require school support organizations to have 501(c)(3) status? What are the consequences of not having that status?

   No. The SSOFAA does not require school support organizations to be recognized as 501(c)(3) organizations. Provisions set forth in the SSOFAA do not affect IRS requirements related to school support organizations in any way.

   Although not required, filing for and receiving 501(c)(3) exemption from the Internal Revenue Service and following all applicable guidelines provides a school support organization federal tax-exempt status, and allows the organization to benefit from the advantages of such status. Each individual organization is urged to consult with the IRS (www.irs.gov) and/or a tax professional for questions concerning federal tax requirements and/or exemptions.

   The following sites may help with questions regarding 501(c)(3) exemption.
   (http://www.irs.gov/charities/charitable/article/0,,id=96099,00.html)

2. What type of documentation is required for recognition as a nonprofit entity?

   A school support organization, under the SSOFAA, must show proof of its “continued existence as a nonprofit entity”. It is the opinion of this office that in order to exist in the State of Tennessee as a nonprofit entity, the organization must incorporate as a nonprofit entity by filing a copy of its charter with the Secretary of State, Division of Business Services. It was also the intent of the legislature that school support organizations and booster clubs incorporate in this state as non-profit entities. The forms and procedures necessary for incorporating as a nonprofit entity can be found at the following web address for the Secretary of State. (http://state.tn.us/sos/bus_svc/forms.htm#nonprofit)

   It is the responsibility of the school support organization to ensure that all filing requirements or any guidelines for incorporation required by the Secretary of State are met.

   If an organization is not incorporated as a nonprofit entity, then that organization cannot be considered a school support organization within the Act. There are no exceptions or exemptions within the SSOFAA that would permit an improperly formed school support organization to operate in conjunction with a school without filing a charter (incorporating) with the Secretary of State.²

² The exemptions in Title 48, Tennessee Code Annotated, addressing charitable solicitations and the filing requirements with the Secretary of State, do not apply to the School Support Organization Financial Accountability Act.
A school support organization does not automatically become a tax-exempt organization merely by incorporating in Tennessee as a nonprofit entity. A school support organization must separately file with the Internal Revenue Service as a 501(c)(3) corporation and follow all necessary procedures established by the Tennessee Department of Revenue in order to be exempted from state sales tax. (http://www.tennessee.gov/revenue/) But filing as a 501(c)(3) with the IRS is not required by the SSOFAA.

3. **Does the SSOFAA require school support organizations to obtain a federal employer identification number (EIN) or state sales tax exemption?**

   No. The SSOFAA does not require school support organizations to obtain an EIN or sales tax exemption. However, the Act prohibits school support organizations and other nongovernmental groups from maintaining a bank account bearing the EIN of a school or of other school-related governmental entities, and from using a school’s sales tax exemption.

   Banking institutions generally require a tax identification number, either an EIN or social security number, in order to open a bank account. Using an individual’s social security number for identification of a school support organization account creates potential tax and credit issues for the holder. Therefore, this office strongly encourages each school support organization to obtain a federal EIN for use in opening bank accounts. The application form for obtaining an EIN can be accessed at the (www.irs.gov) homepage under “Most Requested Forms and Publications” by clicking on Form SS-4. (NOTE: Organizations are not required to have federal 501(c)(3) exemption status to obtain an EIN.)

   In order to be exempted from state sales tax, a school support organization must separately apply with the Tennessee Department of Revenue and be accepted by the IRS as a 501(c)(3) corporation.

4. **Does the SSOFAA require, in any form, school support organizations to turn over the funds in their accounts, for any reason, to a school for which they raise the money?**

   No. There are no provisions in the Act requiring the school support organizations to turn their money over to a school for accounting or any other purposes. However, the Act does state that school support organization funds deposited into a bank account bearing the EIN of a school are deemed to be donations from the organization to the school.

5. **Can a school be responsible for accounting for the funds of a school support organization by mutual agreement as provided for in the Internal School Uniform Accounting Policy Manual, Section 1, pages 4-5?**

   No. *Tennessee Code Annotated* 49-2-604(g), expressly prohibits a school representative (i.e., a school board member, director of schools, principal, or any individual who is primarily responsible for accounting for school system funds or the funds of an individual school) from acting as a treasurer or bookkeeper for a school support organization.

   Any funds turned over to the school by a school support organization would be considered internal school funds and would belong to the school and be handled by school
personnel. However, part 607, section (b) of the Act specifically requires that

Any donation made by a school support organization to a board of education or school shall be disbursed only in accordance with 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. These funds shall be considered instead as internal school funds from the point of their donation to the respective school.

Keep in mind that, even if a school support organization does not maintain a separate bank account and, instead, turns over all proceeds from every event directly to the school, the organization would still fall under the purview of the SSOFAA if the organization is soliciting, raising, or collecting money, materials, property, or securities to support a school district, school, school club, or any academic, arts, athletic, or social activity or event related to a school while using the school district or individual school’s name, mascot, property or logo.

Assuming proper local board policy is in place, nothing in the Act would prohibit a group or organization from assisting with school-sponsored fundraisers or events, or from soliciting donations to be given directly to the school by the donor.

Moreover, the SSOFAA (as amended in 2008) expressly allows community volunteers/parents to assist and collaborate with a school or a school employee supervising a fundraising activity which raises money for a specific school club, art, academic or athletic event or purpose and the TISUAPM requires the funds raised for a specific purpose to be spent accordingly.

6. **Does the SSOFAA require school support organizations to have an audit?**

No. The SSOFAA does not require school support organizations to have an audit. However, federal, state, grant, local board of education, or other regulations may require some type of audit. The Act requires school support organizations to provide, at a minimum, a statement of total revenue and disbursements to the director of schools or his/her designee before the end of the school year.

Please note that although the SSOFAA does not require school support organizations to have an audit, the Act provides that the Office of the Comptroller of the Treasury has the authority to perform audits of such organizations at the Comptroller’s discretion. In addition, the Act authorizes the Comptroller of the Treasury to “adopt a model financial policy for school support organizations.” The adopted model policy suggests that school support organizations conduct a “financial review.”

7. **What is the implementation process and time frame for this law?**

The SSOFAA requires that the local school boards adopt a policy concerning local school support organizations and publish a list of recognized organizations by July 1, 2008. However, all other provisions of the law were applicable as of July 1, 2007, such as the provision which requires the SSO/booster club to maintain a separate bank account
Note regarding student involvement in school support organization fundraisers:

Many questions have been raised regarding fundraising and other activities that involve participation by students and/or school personnel. According to the SSOFAA, all money received from any source for “school-sponsored” student activities or “school-sponsored” events held at or in connection with a school including any money derived from a “school-sponsored” academic, art, athletic, or social event involving students, would be considered student activity funds. Therefore, this money must be accounted for within the school accounting records and deposited into a school bank account.

Since any money raised from a “school-sponsored” event belongs to the school as student activity funds, then any money raised from a “school support organization sponsored” event belongs to the SSO.

Few questions are raised related to money received from academic, art, or athletic events. However, many questions relate to money received for social events held at or in connection with a school, including school dances, proms, banquets, etc., that are sponsored by school support organizations. As noted above, the SSOFAA (as amended, 2008) makes it clear that all money received from any source for “school-sponsored” student activities held at or in connection with a school including “school-sponsored” social events such as student dances, etc., are considered student activity funds. However, the Act neither inhibits nor impairs in any way, the ability of school support organizations to sponsor their own social event and retain the funds in the name of the SSO as school support organization funds.

Many questions have also been raised regarding money received from fundraisers in which students, school personnel, and/or school property are involved. As stated above, funds raised at “school-sponsored” events or activities held during the school day at which school personnel, students, and school property are involved, are student activity funds. Moreover, if a school employee supervises a “school-sponsored” fundraising event at which students are involved, those funds are student activity funds. However, funds raised at “school support organization sponsored” events, regardless of
whether or not they are held on school property during the day, belong to the SSO.

Please note that the *Internal School Uniform Accounting Policy Manual* requires internal school funds to be used for the purposes for which they were received. Therefore, if school personnel and community volunteers collaborate together on a project or event designed to raise money for a particular purpose, then a school official is prohibited from using that money for other purposes.

The following questions address specific examples of fundraisers involving students and/or school personnel. The answers presume that the school support organization involved has been certified by the local board of education and has received required approval for the fundraising activity.

8. **Can a school support organization use school facilities to conduct a fundraiser? If so, can such a fundraiser be held during the school day as defined by the Act?**

   The answer depends on local school board policy. The SSOFAA states that a group or organization may not use school facilities for raising money, materials, property, or securities until the local board of education has adopted a policy, including required minimum provisions set forth in the Act, concerning cooperative agreements, school support organizations, and the use of school facilities for fundraising purposes. (Emphasis added.) Therefore, local school board officials must decide whether the use of school facilities for fundraising purposes by school support organizations or other outside groups or organizations will be allowed, then adopt appropriate policy.

9. **Would a school support organization be allowed to retain collections from a school dance held for students at the school (for instance, the Homecoming Dance), if the organization was responsible for set-up, collections, clean-up, etc.?**

   Yes. As long as the SSO “sponsors” the event and is solely responsible for the event, collecting and accounting for the money, safeguarding the funds and depositing the funds into the SSO account in a timely manner (for example, within 3 business days).

10. **Can a kick-off assembly be held at the school during the school day to promote the start of a school support organization resale fundraiser, such as a candy sale in which students will be participating?**

    Yes. As long as the SSO “sponsors” the event and is solely responsible for every aspect of the event.

11. **Could the soccer coach participate in a car wash fundraiser sponsored by the soccer booster club to benefit the soccer team?**

    Yes. If the car wash fundraiser is “sponsored” by the SSO, the soccer coach could participate in washing cars. However, the soccer coach could not be responsible for supervising the event for the SSO, including any related financial activities.
According to the SSOFAA, the soccer coach would be considered a “school representative” in relation to the soccer team and its booster club. The SSOFAA prohibits a school representative from acting as treasurer or bookkeeper of a school support organization, or from being a signatory on checks. The Act does not prohibit a school representative from taking part in a related school support organization fundraiser, so long as the school representative is not responsible for collecting, counting, or depositing the funds raised.

12. **Could the band director (a school employee) sell fruit or other items in a fundraiser sponsored by the band booster organization and turn his/her related collections over to the band booster treasurer for that event?**

Yes. The band director could personally sell fruit or other items in a fundraiser sponsored by the band booster club.

According to the SSOFAA, the band director would be considered a “school representative” in relation to the band booster club, and therefore, could not act as bookkeeper or treasurer, or be a signatory on the bank account. The Act does not prohibit the band director from individual participation in a resale fundraiser conducted by a school support organization as long as the director is not responsible for supervising the event, including the financial activities.

13. **Can a school support organization sell t-shirts to students at school and keep the money?**

Yes. If school support organization personnel are responsible for all aspects of the fundraiser, then money received from sales of the t-shirts, including shirts sold to students, would generally be considered school support organization money.

If the t-shirts are sold in a bookstore located at the school that is run/operated by the SSO/booster club, money received from the sales would be considered SSO/booster club funds as long as the principal grants the SSO/booster club permission to operate the bookstore. The SSOFAA (as amended in 2008) allows the local board and principal to enter into an agreement with an SSO to run a bookstore located on school property as long as 100% of the profits are used for support of the school and the SSO complies with the *Internal School Uniform Accounting Policy Manual* when operating the bookstore.

If the bookstore is not operated and run by the school support organization, then a t-shirt sale by the booster club cannot be done from the school bookstore and appropriate measures must be taken to maintain adequate separation between the school and its involvement with the t-shirt sales and the school support organization’s involvement as the “sponsor” of the fundraiser.

14. **Can a school support organization hold a steak dinner or auction on school grounds at night with students selling tickets, and school support personnel and students working at the event and the proceeds be considered school support organization funds?**

Yes. Assuming authorizing local school board policy exists, if school support organization personnel are responsible for supervising the planning and operation of the event, including related financial activities, then proceeds from such an event would generally be considered school support organization funds.
15. Can a walk-a-thon, fun run, or other like event be held during the school day on school property and proceeds from pledges obtained by students/school employees participating in the event be retained by a school support organization?

Yes. As long as the local board allows such a fundraising activity, an SSO can “sponsor” such an event and the proceeds of that fundraiser will belong to the SSO/booster club.

**Contact Information**

**Comptroller of the Treasury**
Division of Municipal Audit  
Bank of America Plaza, Suite 1100  
414 Union Street  
Nashville, TN 37219  
Phone: 615-532-4460  
[http://comptroller.state.tn.us/cpdivma.htm](http://comptroller.state.tn.us/cpdivma.htm)

Fraud Waste and Abuse Hotline  
1-800-232-5454

**Tennessee Secretary of State**
Information related to obtaining nonprofit status from the State of Tennessee  
Business Services  
312 8th Avenue North  
6th Floor, Snodgrass Tower  
Nashville, TN 37243  
Phone: (615) 741-2286  
[http://www.tennessee.gov/sos/bus_svc/forms.htm#nonprofit](http://www.tennessee.gov/sos/bus_svc/forms.htm#nonprofit)

**Tennessee Department of Revenue**
Information related to obtaining state sales and use tax exemption  
Statewide toll-free: (800) 342-1003  
Nashville and out-of-state: (615) 253-0600  
[http://www.state.tn.us/revenue/](http://www.state.tn.us/revenue/)

**Internal Revenue Service**
Application for Employer Identification Number  
Information related to obtaining 501 (federal) tax exempt status  