

**GREENEVILLE  
SCHOOLS IN ACTION  
HANDBOOK**



**GREENEVILLE  
CITY SCHOOLS**

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**GSIA Forms:**

- Fundraiser Authorization
- Fundraiser Collection Analysis Report
- Count of Collections

## GSIA Annual Checklist

The checklist below was created by the Greeneville Schools In Action (GSIA) council to help school level GSIA organizations know when certain forms and reports are to be completed.

1. School level GSIA Annual Information Form is due July 15 for the year ended June 30. The excel spreadsheet can be downloaded from the Greeneville City Schools website at:

### **INSERT PATH WHEN GCS IS UPDATED**

2. Annual Report for the previous school year – If your organization existed in the previous school year, this form is due October 1, following the end of the District's fiscal year (June 30). Council level files this report online with the Tennessee Secretary of State at <https://tnbear.tn.gov/ecommerce/AnnualReportID.aspx>.
3. Annual Information Form 990 – This form is due July 31 of each year. Council level board member e-files the annual information return.
4. Cooperative Agreement – This form is due July 31 of each year. If your organization elects officers during the school year, you will need to complete this form when new officers are elected this applies to council and school level boards. This form can be located on the Greeneville City Schools website at:

<http://images.pcmac.org/Uploads/GreenevilleCity/GreenevilleCity/Divisions/DocumentsCategories/Documents/School Support Group Cooperative Agreement June 26 2008.pdf>

5. Fundraiser Authorization – Before your organization begins a fundraiser, you must first receive authorization from the school principal. This form can be located on the Greeneville City Schools website at:

Need to update website this is 2008, manual last updated 2011

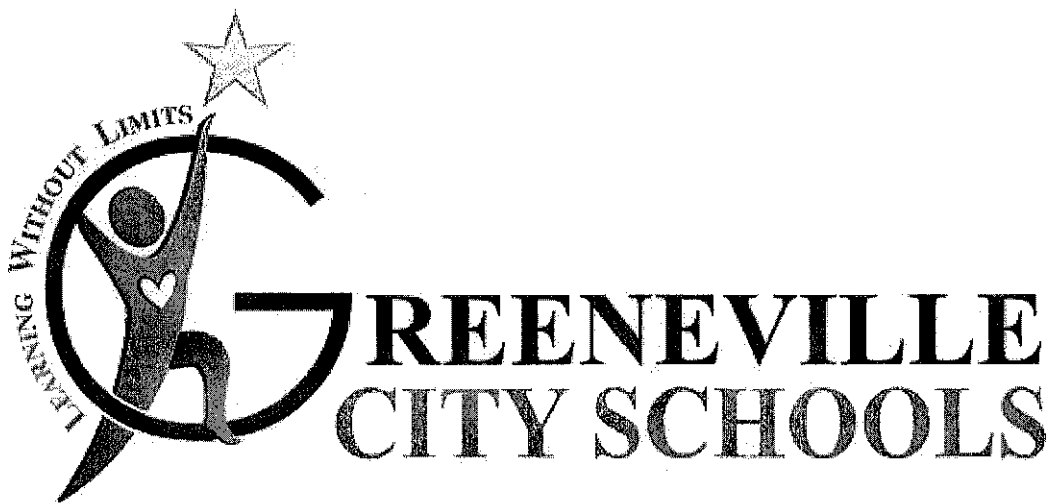
6. Fundraiser Collection Analysis Report – This form must be completed ONLY if your organization operates a concession stand at any school sponsored event or operates a bookstore at a school. For concession operations, one form must be completed for each day a concession stand is operated. This form can be located on the Greeneville City Schools website at:

Need to update website this is 2008, manual last updated 2011

7. Count of Collection – This form must be used to record revenue generated from special school related events.

Need to update website this is 2008, manual last updated 2011

**GREENEVILLE  
SCHOOLS IN ACTION  
SCHOOL SUPPORT  
ORGANIZATION  
FINANCIAL  
ACCOUNTABILITY ACT  
TENNESSE CODE  
ANNOTATED (TCA)**



Disclaimer: The information provided here is current as of the date of publication but may change as a result of new statutes, regulations, or court decisions. While this notice is intended to be comprehensive, events and situations unanticipated by this notice may occur. In such cases you should reference the code for further guidance.

- 49-2-601. Short title**
- 49-2-602. Legislative intent**
- 49-2-603. Part definitions**
- 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**
- 49-2-606. Collection of money**
- 49-2-607. Disbursement of donations**
- 49-2-608. Prohibited actions**
- 49-2-609. Audit**
- 49-2-610. Development of model financial policy**
- 49-2-611. Initial registration and renewal fees**
- 49-2-612. Charitable school foundation**

**49-2-601. Short title**

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

**HISTORY:** Acts 2007, ch. 326, § 2.

**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.

**HISTORY:** Acts 2007, ch. 326, § 3.

**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;

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**(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.

**HISTORY:** Acts 2007, ch. 326, § 4; 2008, ch. 1156, §§ 1-3.

#### **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 (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.

**HISTORY:** Acts 2007, ch. 326, § 5; 2008, ch. 1156, § 4.

**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.

**HISTORY:** Acts 2007, ch. 326, § 6; 2008, ch. 1156, § 5.

**49-2-606. Collection of money.**

**(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 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 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.

**HISTORY:** Acts 2007, ch. 326, § 7; 2008, ch. 1156, § 6.

#### **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.

**HISTORY:** Acts 2007, ch. 326, § 9.

**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.

**HISTORY:** Acts 2007, ch. 326, § 10.

**49-2-610. Development of model financial policy.**

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

**HISTORY:** Acts 2007, ch. 326, § 11.

**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.

**HISTORY:** Acts 2008, ch. 1156, § 7.

**49-2-612. Charitable school 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 (26 U.S.C. § 501(a)), as an organization described in § 501(c)(3) of the Internal Revenue Code

(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.

**HISTORY:** Acts 2012, ch. 747, § 1.

## **GSIA Council Policy School Support Organization**

### **GREENEVILLE SCHOOL'S IN ACTION**

GSIA officers are encouraged to promote a positive relationship between the school and the community. The primary purpose of this organization is to assist and support the school in recognizing and promoting student activities. The principal is responsible for approving and maintaining close communications with GSIA to ensure the organizations goals are in compliance with council policies.

1. The organization must be managed or operated by adults, rather than students, and will present its councils by-laws. These by-laws clearly identify the organization as a school support organization separate from school district student organizations and will provide details of the structure of the organization including:
  - Officers and their duties
  - Election of officers and term limits
  - Purpose and goals
  - Dues structure, if any
  - Intended use of funds generated by the organization
2. The organization must include one representative from the school faculty as a sponsor.
3. A school representative cannot act as a treasurer or bookkeeper for the GSIA or be a signatory on the check for the GSIA. A majority of the voting members of GSIA should not be composed of school representatives.
4. The GSIA shall obtain the approval of the applicable Principal before undertaking any fundraising activity. The Principal, at a minimum, should consider the following when approving or denying a request by school GSIA to engage in a fundraising activity.
  - a. Whether the fundraising activity, as scheduled, conflicts with the fundraising activity of the school district or an individual school within that district;
  - b. Whether the fundraising activity is consistent with the goals and mission of the school or school district;
  - c. Provide documentation of 501(c )(3) status; its goals and objectives; and phone numbers, address and position of each officer of the organization; and
  - d. No fundraising activities will be conducted within the school by the organization during school hours, and students will not participate in fundraising during regular class periods.
5. The organization may not use school materials in advertising its activities.
6. All funds raised by the organization will be used to achieve the stated purposes and goals of the organization. No administrative fees or stipends to officers or others will be permitted.
7. GSIA shall abide by all applicable Federal, State and local laws ordinances and regulation in its activities.
8. GSIA shall maintain a copy of its charter, bylaws, minutes, and documentation of its recognition as a nonprofit organization.

9. GSIA shall maintain financial records for a period of at least seven (7) years.
10. The council and school level boards must maintain bank, financial, and tax exempt status separate from the school. All boards will provide to the school Principal and council board a monthly bank statement, and annually or upon request, a complete set of financial records or detailed treasurer's report along with board minutes.
11. Any plan, project or movement instituted to expand, modernize, renovate, or render maintenance to school-controlled and/or owned properties will be presented to the Board during an official session for its consideration, comment, evaluation, approval and sponsorship. This must be done before any public announcement is made.
12. If a School Support Organization issues payment to a District employee for any reason other than reimbursement, it is considered income to the employee. This includes compensation for services, stipends, gifts, etc. The SSO and employee may elect to have this amount included in the employee's wages, or the SSO may pay the employee directly.

If the election is made to include the amount in the employee's wages, the SSO will be responsible for all applicable District payroll taxes and benefits and the employee will be responsible for his/her portion of taxes and benefits. Funds must be remitted to the District office, not the school.

If the SSO and employee do not elect to include the amount(s) in the employee's wages, the SSO may pay the employee directly, but must issue a 1099 to the employee and provide the District Office with a copy of all 1099s issued to the District employees.

13. The Council Board reserves the right to revoke the sanctioning of any organization if it is found that the organization's operations and purpose are not consistent with the policies adopted by the Board.
14. As required by the Model Financial Policy two (2) non-related check signors must be on bank account.
15. Council GSIA boards, as well as, School GSIA boards are prohibited from having debit or credit cards for use in purchases.

**MODEL FINANCIAL POLICY FOR  
SCHOOL SUPPORT ORGANIZATIONS  
(PROCEDURES MANUAL)**



**DIVISION OF LOCAL GOVERNMENT AUDIT  
JUNE 2008**

*(CONTACT INFORMATION AND LINKS UPDATED AS OF JULY 2013)*



## 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.

## **Model Financial Policy for School Support Organizations**

### **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.

4. To assist in the transition for incoming treasurers, a treasurer's manual (simply a checklist of monthly and annual duties) should be prepared.
5. 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.
6. 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](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  
<http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations>  
[www.irs.gov/pub/irs-pdf/p557.pdf](http://www.irs.gov/pub/irs-pdf/p557.pdf)

**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. _____	\$ _____
<b>Total revenue for the school year (or month)</b>	<b>\$ _____</b>

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

A. _____	\$ _____
B. _____	\$ _____
C. _____	\$ _____
D. _____	\$ _____
E. _____	\$ _____
<b>Total expenditures for the school year (or month)</b>	<b>\$ _____</b>

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) \_\_\_\_\_

<b>Overview of Financial Activity (prepared by reviewer/committee)</b>	
Balance on Hand (date of last review)	\$ _____
Receipts (from last review to date of current review)	\$ _____
Disbursements (from last review to date of current review)	\$ _____
Balance on Hand (date of review)	\$ _____

\_\_\_\_\_  
Reviewer

\_\_\_\_\_  
Date

or

Number	Printed Name	Officer Title	Member Signature	Date

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***



## Nonprofit Exemption

### **Purchases by Qualified Nonprofit Entities of Property and Services Are Tax Exempt**

Generally, nonprofit entities are exempt from paying sales or use tax on their purchases of property and services. A nonprofit entity must apply for and receive the Sales and Use Tax Certificate of Exemption from the Department of Revenue before making tax-exempt purchases. The application is available on the Department's website. An out-of-state 501(c)(3) organization may use its federal authorization to make tax-free purchases in Tennessee.

### **New Exemption Certificates Issued**

Every four years the Department reviews all registered nonprofit entities to determine their continued eligibility for the Sales and Use Tax Certificate of Exemption. Eligible nonprofit entities have received their new Certificates of Exemption with an effective date of July 1, 2015.

Any dealer who makes a tax-exempt sale of property or services to a nonprofit entity on or after July 1, 2015, must obtain the new Certificate of Exemption to document the tax-exempt sale. Dealers should maintain exemption certificates dated prior to July 1, 2015, to verify previous tax exempt sales.

### **The Nonprofit Exemption Does Not Extend to Taxable Sales the Nonprofit Makes**

The exemption applies to all property or services that the nonprofit entity will use, consume or give away. The exemption does not extend to sales of

property or services made by a nonprofit entity to consumers.

### **Nonprofits Making Regular Sales May Use a Resale Certificate to Buy Merchandise for Resale without Paying Tax**

If the entity regularly makes sales of merchandise, it must register with the Department to collect and pay sales tax on its sales. In addition to the Tennessee Certificate of Registration, the entity will receive a resale certificate that can be used to make tax-exempt purchases of merchandise that it resells.

### **A Nonprofit Entity Must Provide a Copy of Its Certificate of Exemption to the Vendor When Making a Tax-Exempt Purchase**

A nonprofit entity must provide a copy of its certificate of exemption, with the bottom portion of the certificate filled in, to a vendor when making purchases. A nonprofit entity also may use a fully completed streamlined sales tax certificate, which must include the exemption authorization number. The exemption number is located on the new exemption certificate.

### **Nonprofit Employees' or Contractors' Purchases Made with Personal Checks or Personal Debit/Credit Cards Still Taxable**

The exemption only applies to sales made directly to the nonprofit entity. This means that the property or service must be purchased with the nonprofit entity's funds (cash, the entity's check, or the entity's debit/credit card). A purchase made with a personal

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check or personal debit/credit card is not exempt, even if the purchaser is an employee or contractor of the exempt entity and will be reimbursed by the entity. Sellers should not accept the nonprofit exemption certificate when payment is made using funds not belonging to the nonprofit entity.

### **An Entity Must Continue to Qualify for the Exemption in Order to Use the Exemption Certificate**

Qualifications for an exemption are subject to review and verification upon audit. Misuse of an exemption certificate can result in not only a tax assessment, but also potential revocation of the exemption certificate and the entity's sales tax license.

### **A Nonprofit Making Sales during Two or Fewer Temporary Sales Periods May Use Its Exemption Certificate to Buy Merchandise for Resale without Tax**

If the entity only sells merchandise or services during two or fewer temporary selling periods per year, with each period lasting 30 days or less, then it is not required to register to collect sales tax on its sales. However, if more than two temporary selling periods take place during a year, or if a sales period extends beyond 30 consecutive days, then all sales for the year are subject to sales tax. The nonprofit entity may use its Certificate of Exemption to make

tax-exempt purchases of merchandise that it will sell during two or fewer temporary sales periods.

### **K-12 Schools and School Support Groups Pay Tax on Purchases and Do Not Collect Tax on Sales**

Schools (kindergarten through 12<sup>th</sup> grade) and school support groups must pay sales or use tax on all purchases of property and services that are intended for resale, except for food for school meals, textbooks and workbooks. They are not allowed to make tax-exempt purchases for resale by using a resale certificate or a Certificate of Exemption. However, the schools and school support groups are not required to register to collect the sales tax on any of their sales.

### **For More Information**

Visit [www.tn.gov/revenue](http://www.tn.gov/revenue). Click on Revenue Help to search for answers or to submit an information request to one of our agents.

### **References**

Tenn. Code Ann. § 67-6-322; Tenn. Code Ann. § 67-6-409; Tenn. Code Ann. § 67-6-102; Tenn. Code Ann. § 67-6-229; TENN. COMP. R. & REGS. 1320-5-1-.09; TENN. COMP. R. & REGS. 1320-5-1-.51

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**PROPOSED FUNDRAISING ACTIVITIES**

Fund/account name \_\_\_\_\_

Proposed fundraising activities: \_\_\_\_\_

\_\_\_\_\_

Purposed Uses of funds raised

\_\_\_\_\_

\_\_\_\_\_

Expected student involvement (school-wide or specific school organization) \_\_\_\_\_

\_\_\_\_\_

Method by which school will receive profit \_\_\_\_\_

\_\_\_\_\_

Requested by \_\_\_\_\_ Date \_\_\_\_\_

Name/Title

Approved by \_\_\_\_\_ Date \_\_\_\_\_

Principal

Approved by \_\_\_\_\_ Date \_\_\_\_\_

Director of Schools\*

\* The Director of Schools must approve all fundraising activities that involve the participation of the general student population in the marketing process of the fundraising effort.

**FUNDRAISER COLLECTIONS ANALYSIS REPORT**

**SECTION 1 (To be completed by sponsor)**

Fundraising activity \_\_\_\_\_  
 Fund/club/class \_\_\_\_\_  
 Sponsor \_\_\_\_\_  
 Approval date \_\_\_\_\_ Beginning date \_\_\_\_\_ Ending date \_\_\_\_\_

**EXPECTED COLLECTIONS**

Date	Check #	Item Purchased	Quantity	X	Selling Price	=	Expected Collections
Subtotal						\$	
Total from page 2						\$	
GRAND TOTAL						\$	

**ACTUAL COLLECTIONS**

Date	Cash Receipt Number	Amount
Subtotal		\$
Total from page 3		\$
GRAND TOTAL		\$

**ENDING INVENTORY**

Number of items on hand X selling price = ending inventory value

\_\_\_\_\_ X \$ \_\_\_\_\_ = \$ \_\_\_\_\_

**ANALYSIS**

Expected collections	\$ _____
Less: actual collections	\$ _____
Less: ending inventory	\$ _____
Overage/shortage*	\$ _____

\*Attach detailed documentation or explanation for this amount.





**COUNT OF COLLECTIONS**

Activity \_\_\_\_\_

Fund/Account Name \_\_\_\_\_

Sponsor \_\_\_\_\_

Date of Activity \_\_\_\_\_

Authorized Purpose \_\_\_\_\_

Beginning Change \$ \_\_\_\_\_

Amount Collected:

Cash \$ \_\_\_\_\_

Checks \$ \_\_\_\_\_

Total to be Turned Over to Cashier \$ \_\_\_\_\_

I have counted the money collected and beginning change for this activity, and the amount shown above is the amount I counted.

Counted by: \_\_\_\_\_

Date \_\_\_\_\_

Counted by: \_\_\_\_\_

Date \_\_\_\_\_