

Category:	Procedure:	
<b>Fiscal Management</b>	<b>School Support Organizations</b>	
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2 The *Local Education Support Group Financial Accountability Act of 2007* amended Tennessee Code  
3 Annotated (TCA), Title 49, Chapter 2 by adding accountability provisions for school support organizations  
4 and establishing local Board of Education as the oversight and approval agency for the operation of such  
5 groups in support of public schools. This document sets forth operational and oversight procedures for the  
6 establishment and day-to-day operations of school support organizations in Knox County.

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8 **Definitions**

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- 10 (1) **School Support Organizations** (SSO) are booster clubs, foundations, parent teacher associations,  
11 parent teacher organizations, parent teacher support associations, or any nongovernmental organization  
12 or group of persons whose primary purpose is to support a school district, school, school club, or  
13 academic, arts, athletic, or social activities related to a school which collects or receives money,  
14 materials, property or securities from students, parents, or members of the general public. A group of  
15 persons who merely request that students, parents, or members of the general public make donations to  
16 a school district, school, school club, or academic, arts, athletic, or social activity related to a school  
17 shall not be considered a school support organization;  
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- 19 (2) **Activity Funds** include all money received from any source for student activities and/or events held at  
20 or in connection with a school, including any money derived from a performing arts, athletic, academic  
21 or social event involving students, raised by clubs involving students, fundraisers involving students  
22 under the guidance of a school official or teacher, or from any and all related activities of the school  
23 involving school personnel, students, or school property during the school day.  
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- 25 (3) **School Support Organization Funds** include all money raised by a school support group or any group  
26 representing itself to students, parents or members of the general public to be a school support  
27 organization.  
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- 29 (4) **Donation** is any gift or contribution of money, materials, property or securities from any  
30 nongovernmental source received by a school official or employee for the benefit of a school district,  
31 school, school club, or academic, arts, athletic, or social activity related to a school;  
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- 33 (5) **Internal School Funds** are any and all money received and accounted for at individual schools and  
34 specifically include, but is not limited to:  
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- 36 A. Any donation or grant made to the school, a school club, or any academic, arts, athletic, or
  - 37 social activity related to a school;
  - 38 B. Funds for cafeteria services operated at the school;
  - 39 C. Fees collected by the school;
  - 40 D. Funds transferred to the local school from the school board, which are to be accounted for
  - 41 E. at the local school level;
  - 42 F. Funds raised through cooperative agreements with outside organizations;

- G. Rental fees charged outside entities for use of school facilities; and
- H. Student activity funds

**(6) School Representative**

A. When a school support organization's primary purpose is to support a school system or an individual school:

- (i) A school board member;
- (ii) The director of schools;
- (iii) A principal; and
- (iv) Any individual who is primarily responsible for accounting for school system funds or the funds of an individual school.

B. 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:

- (i) A school board member;
- (ii) The director of schools;
- (iii) A principal;
- (iv) Any individual who is primarily responsible for accounting for school system funds or the funds of an individual school; and
- (v) Any individual who works for the school system and who as a school system employee is charged with directing or assisting in directing the related school club or activity. "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.

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

**(8) School activity funds** include all money received from any source for student activities or events held at or in connection with a school and specifically includes, but is not limited to, any money;

- A. Derived from an academic, art, athletic or social event involving students;
- B. Raised by clubs involving students;
- C. Raised by fundraisers involving students which 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 bookstore located on school grounds;
- F. Raised from fees charged students;
- G. Obtained from interest from any account which contains student activity funds; or
- H. Obtained from any related school activity involving the use of school personnel, students, and property during the school day. For the purpose of this section, the school day shall be defined as the regular hours of operation of the school during which classes are conducted.

**Provision for Establishing School Support Organizations**

The following provisions for the establishment and operation of school support organizations align with those mandated under TCA and apply to all individuals or groups who want to operate in direct support of Knox County Schools student activities both curricular and extra-curricular:

- 1 (1) Prior to soliciting, raising, or collecting money, materials, property or securities to support the school  
2 district, school, school club, or any academic, arts, athletic, or social activity or event related to a  
3 school, a school support organization shall submit to the Director of Schools documentation which at  
4 a minimum addresses the following:  
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6 A. The organization's status as a nonprofit organization, foundation, or a chartered member of a  
7 nonprofit organization or foundation;  
8 B. The goals and objectives of the organization; and  
9 C. The telephone number, address, and position of each officer of the organization;  
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- 11 (2) A school support organization shall annually, not later than the first business day of August, provide  
12 documentation to the director of schools verifying the SSO's continued recognition as a nonprofit  
13 entity or foundation and the current telephone number, address, and position of each officer of the  
14 organization;  
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- 16 (3) An SSO shall annually on the first business day of June, provide at a minimum a detailed statement of  
17 receipts and disbursements to the Board of Education and the applicable school principal;  
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- 19 (4) The SSO shall maintain a copy of its charter, bylaws, minutes, and documentation of its recognition as  
20 a nonprofit organization. Also, an SSO shall maintain financial records for a period of at least four (4)  
21 years;  
22
- 23 (5) A school support organization must operate within the applicable standards and guidelines established  
24 by a related state association, if applicable, and shall not promote, encourage or acquiesce in any  
25 violation of student or team eligibility requirements, conduct codes or sportsmanship standards.  
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- 27 (6) Individuals or groups wishing to establish a new support organization may submit the required  
28 information to the director of schools at any time during the year. However, regardless of when the  
29 group received approval to operate as an SSO, it will still have to submit information required in  
30 paragraph (2) above not later than the first business day of the month of August.  
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- 32 (7) A school support organization's officers must ensure that support group funds are safeguarded and are  
33 spent only for purposes related to the goals and objectives of the support group. The organization shall  
34 maintain a written policy specifying reasonable procedures for accounting, controlling and  
35 safeguarding any money collected or disbursed by the group.  
36
- 37 (8) A school support organization must obtain the approval of the director of schools or the assistant  
38 superintendent for administrative services for any fundraising activity to assure that scheduling of  
39 fundraisers does not conflict with school district's or school's fundraising efforts and the fundraising  
40 process is consistent with the goals and mission of the school or school district. All fundraising  
41 activities shall comply with state and federal law. Requests to conduct a fundraising activity must reach  
42 the director of schools or the assistant superintendent for administrative services not later than ninety  
43 (90) days prior to the commencement of the proposed activity.  
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- 45 (9) Upon request, school support organization must provide access to all books, records, and bank account  
46 information for the group to officials of the Board of Education, school principals, and the state  
47 comptroller of the treasury.  
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- 49 (10) A local school support organization may not give away, donate, sell, auction, place a lien upon or lease  
50 school property.

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(11) School employees including athletic coaches, trainers or staff sponsors of school-sponsored student groups may not act as a treasurer or bookkeeper for a local school support organization.

(12) A majority of the voting members of any school support organization board may not be school employees.

**Public Notice**

(1) A school support organization must obtain the approval of the director of schools or the assistant superintendent for administrative services for any fundraising activity to assure that scheduling of fundraisers does not conflict with school district's or school's fundraising efforts and the fundraising process is consistent with the goals and mission of the school or school district. All fundraising activities shall comply with state and federal law. Requests to conduct a fundraising activity must reach the director of schools or the assistant superintendent for administrative services not later than ninety (90) days prior to the commencement of the proposed activity.

(2) Regardless who collects or receives any activity funds, all activity funds are to be turned over to the properly designated school official and considered as activity funds for the purpose of T.C.A. § 49-2-110.

(3) Money raised from the sale of concessions at all school events involving students including entertainment, athletic, or academic events shall be considered activity funds. However, principals have the authority to enter into an agreement with a local school support organization to operate and collect money for a concession stand at a related school entertainment, athletic, or academic event provided that a non-school official is in charge of collecting and accounting for all the money collected or received. If a school support organization enters into an agreement under the provisions of this part, any money it collects shall be considered school support organization funds and not activity funds.

**Restrictions:** 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 any 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 ones related to the goals and objectives of the school support organization which must relate to supporting the school district, a school, school club or school athletic, performing arts or academic activity.
- (4) Maintain or operate a bank account which bears the employer identification number of a board of education, school board, school, or any other governmental entity. Any funds deposited into such an account shall be considered as activity funds.
- (5) A nongovernmental group or organization may not use a school district's or school's name, mascot and/or logos, facilities or property to solicit money from students, their parents, or members of the general public without prior authorization for the board of education or the director of schools.