

SCHOOL SUPPORT ORGANIZATION VOLUNTEERS - THANK YOU!
YOU ARE A VALUABLE RESOURCE AND ARE APPRECIATED



VOLUNTEERS

★ **FOREVER** ★
APPRECIATED

HISTORY, PURPOSE, AND THE OPERATION OF SCHOOL SUPPORT ORGANIZATIONS

- TCA Title 49, Chapter 2, Part 6 – The School Support Organization Financial Accountability Act (S.S.O.F.A.A.)
 - In 2007 the General Assembly passed legislation to create and regulate School Support Organizations.
 - The law was amended in 2008.
- The legislation was in response to substandard handling of cash raised for schools and school organizations.

“The general assembly recognizes the importance of school support organizations in providing financial support to carry out academic, arts, athletic, and social programs to further the educational opportunities for the children of this state. The general assembly also recognizes concerns that parents and other persons who support these organizations are not 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, athletic, and special programs, which help to educate the children of this state, while also ensuring fiscal accountability of school support organizations.” (MSA 42-602 Legislative intent)

- The Act “is designed to establish accountability and regulation of booster organizations and other school support organizations that have, heretofore, been unregulated” (OAG 08-174 – 11/18/08)

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- The Act defines a School Support Organization (SSO) as a parent-teacher association, parent-teacher organization, booster club, foundation, alumni group, or any other nongovernmental organization or group of persons whose primary purpose is to support a school district, school, or a club, academic, arts, athletic, or social activity related to a school, that collects or receives money, materials, property, or securities from students, parents, or members of the general public.
 - Also included in the definition is a group of persons who merely request donations to be made directly to a school district, school, or school activity or assist in the raising of funds for a specific purpose under the sponsorship of a school employee where the funds are turned over to the school to be used for a specific purpose for which the funds were raised, shall not be considered a school support organization. (TCA 49-2-603)
 - The Act also strives to maintain an “arms length” separation between schools and school support organizations.
 - A SSO is a separate, stand-alone entity and is required to file a charter (non-profit corporation) with the Tennessee Secretary of State.
 - Maintain compliance with federal, state, and local laws and regulations related to non-profits and SSO.
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- It is the responsibility of each SSO officer to server with a duty of care, duty of loyalty, and duty of good faith. This includes, among other things, that each officer does their due diligence to ensure policies, procedures, guidelines, and requirements are reviewed, up-to-date, and are being followed in the day to day operations of the School Support Organization.
(What Every Board Member Should Know Guidebook for Tennessee Nonprofits)
 - Sumner County Schools has an information page available for SSO on the Sumner County Schools website, under the Parents & Students tab. www.sumnerschools.org where the below information and additional resources to assist school


SCHOOL SUPPORT ORGANIZATION FINANCIAL ACCOUNTABILITY ACT – (S.S.O.F.A.A.)

The Act contains guidelines and information on the following:

- Defines what certain terms are considered in the context of the law, such as “donations”, internal school funds”, “school


THE MODEL FINANCIAL POLICY (PROCEDURES MANUAL)

- The Policy was adopted by Tennessee Comptroller of the Treasury to fulfill the requirement of the S.S.O.F.A.A. It provides minimum required internal controls that all SSO are required to follow. School districts may set additional requirements and guidelines for the operations of SSO working with their schools.
- The purpose of the Policy is to help ensure that the money raised is safeguarded and used to further the activities for which the money was raised.
- The Policy contains 19 required controls and 6 other recommendations for procedures to supplement the required procedures. In addition, the manual includes basic contact information and sample forms.
- School Support Organizations are subject to audit by the Tennessee Comptroller of the Treasury and the Sumner County Board of Education (SCBOE). During an audit, the internal controls and procedures in the manual are used when reviewing records and to note deficiencies when a school support organizations transactions are under review or when reports of fraud, waste, or abuse have been reported and records are requested for an investigation.
- The Policy does not address guidelines and requirements for non-profit organizations from the Internal Revenue Service (IRS), the Tennessee Department of Revenue, or the Tennessee Secretary of the State which also have operating requirements that SSO members should be familiar with and follow. The SCBOE policy regarding SSO may also contain additional guidelines beyond those in the policy.



The Model Financial Policy - Review of the Required Controls & Recommendations

1. To comply with the statute, the organization must register (incorporate as a non-profit) with the Secretary of the State.
2. Organizations must annually confirm its status as a non-profit; describe its goals and objectives; and provide SSO officer position and contact information to the director of schools or the director's designee.
3. Organizations must not use the schools' Employer Identification Number (EIN) or sales tax exemption for any purchase.
4. The identity of the authorized banking institution, authorized bank account(s), and authorized signatories should be included in the minutes.



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 capacity as treasurer of the

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- The TN Sales and Use Tax Exemption does not exempt school support organizations from paying sales and use tax on items purchased for resale. To avoid liabilities for sales tax due and any related penalties, the SSO should comply with the state sales tax statutes.
 - 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.
 - 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
 - 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.
 - 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. The role could also function to ensure compliance with Internal Revenue Service, non-profit, or other start


SUMNER COUNTY BOARD OF EDUCATION

SSO POLICY AND PROCEDURES

SCBOE Board policy 2.404 – School Support Organizations

This policy outlines the minimum procedures and reporting guidelines for school support organizations who wish to organize and operate in conjunction with Sumner County Schools (SCS) and fulfills the districts requirement outlined in the S.S.O.F.A.A. (section 49-2-604).

- Only a group or organization that has entered into a written agreement with the SCBOE may use the name, mascot, logo of a school or the school district to solicit or raise money, services or other things of value.
- Annual paperwork is required to be submitted to the SCBOE each year for review and verification prior to the SSO operating and conducting fundraising activities. All paperwork submitted becomes public record and is available for review and inspection by the public:
 - SSO annual information report,
 - SSO annual financial report,
 - SSO annual agreement with SCBOE, which is basically an agreement to operate according to applicable SCBOE, local, state and federal guidelines, and verification of continued compliance with state and federal guidelines for non-profits and 501(c)3 organizations as applicable to the specific organization.

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- If the principal allows a SSO or outside civic organization to operate a concession stand or parking at a school related academic, arts,





School Support Organization Fundraising and Spending Reminders

- Fundraiser profits must benefit the entire program (all members) and cannot benefit individual students or other individuals. This is



SCHOOL SUPPORT ORGANIZATION WRAP - UP

- Groups are required to register as SSO and abide by certain guidelines to operate or “act” as a SSO.
- SSO are required to provide certain information and be approved to operate with SCS annually. Deadline to submit the annual paperwork to SCBOE is August 1st each year.
- SSO must receive permission to use SCS names, logos, mascots, facilities, etc. and when fundraising that involves students, school programs or any of the aforementioned.
- SSO work hand in hand with school principals, athletic coaches or club sponsors. School bookkeepers are also a great resource for SSO. School employees are limited in the roles they can have and actions they can take within the SSO.
- Information, resources, contact information, current forms, and examples of SSO documents and forms are available

