

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

Parent organizations will offer students increased opportunities to participate in extra-curricular and co-curricular activities. The parent organizations provide financial support through fund raising activities to assist the campus in providing increased opportunities for extra-curricular participation. Fund raising activities are governed by various local, state and federal regulatory requirements.

### **MISSION**

The Parent Organization is organized for the purpose of supporting and enhancing the educational experience of the School's students.

### **PURPOSE**

The purpose of the Parent Organization is to:

- Involve parents to assist with various school activities, functions, services;
- Provide financial assistance where needs are identified;
- Promote a community atmosphere;
- Support the mission and the vision of the campus and school district.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### TABLE OF CONTENTS

<b>ROLES.....</b>	<b>9-10</b>
General.....	9
Officers .....	9
Parent Organization.....	9
Teacher Representative and/or Special Programs Representative.....	10
Principal .....	10
<b>REQUIREMENTS WHEN FORMING A PARENT ORGANIZATION.....</b>	<b>11-14</b>
Approval To Form.....	11
Naming of Parent Organization.....	11
Mailing Address.....	11
<i>Other Parent Organization Requirements.....</i>	<i>11-14</i>
Employee Identification Number.....	11
Bylaws.....	12
Bank Account.....	12
Federal Tax Exemption.....	12
Sales Tax Permit.....	12
Sales Tax Exemption.....	13
Solicitation Permit.....	13
Nonprofit Association or Nonprofit Corporation.....	13
Food Establishment.....	14
Finalize Formation of Parent Organization.....	14

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

<b>GOVERNANCE</b> .....	<b>15-16</b>
District Authority.....	15
Independence.....	15
<b>BOARD OF DIRECTORS</b> .....	<b>17-22</b>
Roles of Elected Officers.....	17
Election of Officers.....	19
Meetings.....	20
Membership.....	21
PTO Committees.....	21
Dissolution.....	22
<b>FINANCIAL</b> .....	<b>23-32</b>
Accounting System.....	23
Bank Account.....	23
Carry-Over Balances.....	23
Budget.....	23
Amendments.....	24
Fiscal Year End.....	24
Financial Reports.....	24
Audits.....	24
Fund Raisers.....	25

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

Membership Dues.....	26
Charitable Contributions Received.....	26
Donations to the District.....	27
Money Handling.....	27
Deposits.....	28
Returned Checks.....	28
Refunds.....	29
Safeguarding Money and Records.....	29
Disbursements.....	29
Payment of Services.....	30
Check Issuance.....	31
Reimbursements.....	31
Receiving.....	31
Disposing of Assets.....	32
<b>COMPLIANCE.....</b>	<b>33-43</b>
<i>Federal</i> .....	33-35
Employee Identification Number.....	33
Federal Tax Exemption.....	33
Federal Tax Returns.....	34
Title IX.....	35
<i>State</i> .....	36-39
Sales Tax Permit.....	36
Sales Tax Calculations.....	36

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

Sales Tax Returns.....	36
Sales Tax Exemption.....	37
Sales Tax Free Days.....	37
Texas Franchise Tax.....	38
University Interscholastic League (UIL).....	38
Child Nutrition.....	39
<i>City</i> .....	40
Solicitation Permit.....	40
Food Establishment Permit.....	40
<i>District</i> .....	41-43
Formation Approval.....	41
Registration.....	41
Facility Use Request.....	41
Volunteers.....	42
Donations To The District.....	42
Travel.....	43
Training.....	43

### **EXHIBITS.....**

Exhibit A – Formation Approval Form

Exhibit B – IRS Employer Identification Number – Frequently Asked Questions

Exhibit C – Bylaws (Sample Form)

Exhibit D – Form 1023, Application for Recognition of Exemption 501(c)(3)

Exhibit D-2 – Form 1023, Checklist

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

Exhibit D-3 – Form 1023, Instructions for Form 1023

Exhibit E – Form AP220-2 Texas Sales and Use Tax Permit Application

Exhibit E-2 – Form AP220-2 Instructions for Completing

Exhibit E-3 – Texas Sales Tax – Frequently Asked Questions

Exhibit F – School Fundraisers and Texas Sales Tax

Exhibit G – Form AP204; Texas Application for Exemption

Exhibit H – Charitable Solicitation Permit

Exhibit H-2 – El Paso Municipal Code 5.03 – Charitable Solicitations

Exhibit I – Form 202; Certificate of Formation Nonprofit Association

Exhibit I-2 – Form 202; General Information

Exhibit J – Articles of Association (Sample Form)

Exhibit K – City of El Paso Department of Public Health –  
Food Inspection Program

Exhibit K-2 – Food Establishment Frequently Asked Questions

Exhibit L – CISD Regulation CO – Health Regulation Compliance for School  
Concessions

Exhibit L-2 – CISD Regulation CO; Exhibit A – Application

Exhibit L-3 - CISD Regulation CO; Exhibit B – Requirements

Exhibit L-4 - CISD Regulation CO; Exhibit C – Temporary Application

Exhibit M – Registration Form

Exhibit N – Budget Template

Exhibit O – Financial Report Template

Exhibit P – Fund Raiser Application

Exhibit Q – Financial Recap Template

Exhibit R – CISD Donation Approval Form

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

- Exhibit S – Letter of Dishonor for Returned Checks Template
- Exhibit T - El Paso County Attorney Hot Check Intake Form
- Exhibit T-2 – El Paso County Attorney Hot Check Unit Guidelines
- Exhibit U – Disbursement Voucher Form
- Exhibit V – UIL Booster Club Guidelines
- Exhibit W – Texas Public school Nutrition Policy at a Glance
- Exhibit X – CISD Regulation GKD – Use of School Facilities for Nonschool Purposes
- Exhibit X-2 - CISD Regulation GKD; Exhibit A – Facilities Request Form
- Exhibit X-3 - CISD Regulation GKD; Exhibit A2 – Facilities Request Form; Requiring Board Approval
- Exhibit X-4 - CISD Regulation GKD; Exhibit B – General Facilities Use Agreement
- Exhibit X-5 - CISD Regulation GKD; Exhibit C – Facilities Use Agreement for High School Auditorium
- Exhibit X-6 - CISD Regulation GKD; Exhibit D – Facilities Use Agreement for High School Stadium
- Exhibit X-7 - CISD Regulation GKD; Exhibit E – Facilities Usage Fee Waiver Form
- Exhibit Y – CISD Board Policy GE (Local) – Relations with Parent Organizations



### ROLES

#### GENERAL POLICIES

---

The PTO name or the names of any members in their official capacities shall not be connected to any commercial concern, any partisan interest, or for any purpose not directly related to the promotion of PTO's interests.

The PTO is a non-commercial, non-sectarian, non-partisan organization.

The PTO shall work with the school to provide quality education for all children, and shall seek to support the mission and vision of the school, recognizing that the legal responsibility to make decisions has been delegated by the people to boards of education.

The PTO shall not in any way participate or intervene in any political campaign. The PTO may, however, seek to educate people concerning school issues, such as school bond issues and similar concerns.

#### OFFICERS

---

- All Officers shall act in the best interest of the PTO.
- No Officer shall be compensated by the PTO for their service.
- Each Officer shall attend the PTO Officers meetings.
- Each Officer is expected to serve on a minimum of one committee.
- A district employee cannot be elected to serve as a PTO Officer.

The main responsibilities of a PTO, the Teacher Representative and/or Special Programs Representative and the principal are listed below:

#### PARENT ORGANIZATION

---

- The parent organization is responsible for supporting a student group, activity, program or entire campus.
- The parent organization works through the Teacher Representative and/or Special Programs Representative and principal to provide assistance for the planned activities of the student group/campus.
- The parent organization decides the type and amount of assistance they will provide; however, the parent organization does not have the authority to decide the activities in which a student group will participate.
- The parent organization may provide suggestions of particular activities but the principal has the final say on what activities will be held.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

- The parent organizations shall work in cooperation with the authority of the District and must comply with District, city, UIL, Texas and federal regulatory requirements.

### **TEACHER REPRESENTATIVE AND/OR SPECIAL PROGRAMS REPRESENTATIVE**

---

- The sponsor designee will serve as the liaison between the parent organization and the District, as directed by the principal.
- The sponsor designee is responsible for determining the various activities in which the student group will participate with the principal's approval.
- The sponsor shall share with the parent organization the needs of the campus or student group and how the PTO may help fulfill these needs.
- The sponsor designee shall supervise the activities of the PTO to the extent of ensuring student and District interests are protected; however, the sponsor designee is not considered a member of the parent organization.
- Shall report PTO activities at campus staff meetings.

### **PRINCIPAL**

---

- The principal shall supervise the Teacher Representative and/or Special Programs Representative.
- Approve all PTO activities.
- The principal shall also monitor the PTO to the extent of ensuring student and District interests are protected and the Teacher Representative and/or Special Programs Representative and PTO officers are aware of District policy.
- The principal shall maintain sufficient awareness of PTO activities by reviewing or approving the following:
  - PTO Registration
  - List of officers, their addresses, and phone numbers
  - PTO Bylaws
  - Articles of Association or Corporation
  - Sales Tax Permit
  - Sales Tax Exemption Certificate
  - IRS Determination Letter with 501(c)(3) Designation
  - Solicitation Permit
  - Food Establishment Permit
  - Facility Use Authorization
  - Budget
  - Fund Raiser Application
  - Donation Letter(s)
  - Meeting Minutes
  - Audited Financial Report(s)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### REQUIREMENTS WHEN FORMING A PARENT ORGANIZATION

#### APPROVAL TO FORM

---

Obtain campus and District approval to proceed with the formation of the PTO. A Parent Organization – Formation Approval Form must be completed and appropriate approvals noted on the form. The approved form grants the organizer(s) authorization to proceed with the necessary steps to plan and organize the PTO; however, a PTO is not formally recognized at this point. **(Refer to Exhibit A; Parent Organization Formation Approval Form)**

#### NAMING OF PARENT ORGANIZATION

---

The organization shall be named (Campus Name) Parent-Teacher Organization (PTO) herein referred to as the PTO.

#### MAILING ADDRESS

---

A mailing address must be established to receive correspondence. The mailing address will be used to complete forms required by the District, the Texas Secretary of State, the Texas Comptroller's Office, the IRS, and the bank. *The PTO may not use the campus mailing address.* PTO invoices, bank statements, fundraising products, etc., shall NOT be sent to any Canutillo ISD campus, but rather to the organization's own address.

The District recommends that a post office box (PO Box) be established. Establishing a permanent address allows for easy transition to new officers. The new officers can assume responsibilities without updating the mailing address and will have immediate access to incoming mail.

#### OTHER PARENT ORGANIZATION FORMATION REQUIREMENTS

---

**Employee Identification Number**– PTO must obtain an employee identification number (EIN) from the IRS by calling 1-800-829-4933. The PTO may not use the District's EIN or an individual social security number. The EIN will be required when applying for a bank account and sales tax permit. An individual's social security numbers is not acceptable. **(Refer to Exhibit B; Employer Identification Number Guidance Provided)**

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

**Bylaws**– Develop the Parent Teacher Organization bylaws which must address District, city, UIL, Texas and federal regulatory requirements and best practices(**Refer to Exhibit C**).

**Bank Account** – Establish a checking account with the president, treasurer, and vice president as authorized signers. *District employees may not be authorized signers.* Bank statement must be mailed to the official mailing address of the PTO.

**Federal Tax Exemption** – The PTO is eligible for tax exemption from federal income taxes if is organized and operated exclusively for an exempt purpose.

PTO's are encouraged to formally apply for tax exemption from the IRS. Complete Form 1023, *Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code*. Instructions on how to complete Form 1023 are provided.(**Refer to Exhibits D, D-2 & D-3**)

When completing Form 1023, organizations should establish a fiscal year-end of June 30<sup>th</sup>.

There are fees associated with the submission of Form 1023.

Note: Organizations normally having annual gross receipts \$5,000 or less may be considered tax exempt organizations without formally submitting an application for tax exemption to the IRS. However, the PTO's may choose to formally apply for tax exempt status to obtain a tax exempt determination letter. The determination letter is:

- needed to apply for a Texas Sales Tax Exemption,
- is often requested by donors,
- and may be needed for other matters.

**Sales Tax Permit**– If the PTO will be selling taxable goods or services, a *Sales Tax Permit Application* (**Refer to Exhibit E**) must be completed and sent to the Texas State Comptroller's Office to obtain a Sales Tax Permit. There is no charge to apply for this permit. The PTO cannot use the District's Sales Tax Permit Number.

For examples of taxable goods or services refer to *School Fundraisers and Texas Sales Tax*(**Refer to Exhibit F**).

(**Refer to Exhibits E, E-2, & E-3**; **Sales Tax Permit Application with Frequently Asked Questions & Answers** and **Exhibit F**; **School Fundraisers and Texas Sales Tax**)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

**Sales Tax Exemption** – Once the PTO receives an IRS determination letter, the organization will be eligible for a sales tax exemption. To obtain a Sales Tax Exemption Certificate complete form AP-204 (**Refer to Exhibit G**). Along with the application, submit

- a written statement detailing the nature of the activities conducted or to be conducted,
- copies of articles and bylaws,
- copy of the IRS tax exemption determination letter.

The determination letter is necessary to apply for a Sales Tax Exemption Certificate. There is no charge to apply(**Refer to Exhibit G**).

**Solicitation Permit** – The parent organizations should obtain a Solicitation Permit from the City of El Paso to solicit donations. The parent organization should complete the Charitable Solicitations Permit Questionnaire (**Refer to Exhibit H**) to apply for a permit. There is a processing fee associated with this application. Charitable organizations continuously operating on an annual basis may hold permits effective for a one-year period which shall correspond with the fiscal year of the organization. For more information read Municipal code – Charitable Solicitations. (**Refer to Exhibit H-2**)

**Nonprofit Association or Nonprofit Corporation** – the PTO must decide if they will be a nonprofit association or a nonprofit corporation and prepare the necessary documents. The PTO is encouraged to incorporate in order to shield their officers from liabilities incurred by the organization, unless the officers are negligent in their duties. (**Refer to Exhibits I & I-2; Form 202 – Certificate of Formation Nonprofit Corporation**)

- To form a nonprofit association, prepare and sign the Articles of Association as an organizing document. (**Refer to Exhibit J – Articles of Association Sample Provided**)
- To form a nonprofit corporation, prepare and sign the Articles of incorporation (**Refer to Exhibit J**) as an organizing document. In addition, the organization completes the Certificate of Formation – Nonprofit Corporation form (**Refer to Exhibit I**) to be filed with the Texas Secretary of State. Please note, there is a minimal fee required with the submission of documents.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

**Food Establishment Permit** – If the parent organization will be conducting food sales, a permit should be obtained from the El Paso Department of Public Health. For additional information contact the Public Health Department at (915) 771-5702 or [www.elpasotexas.gov-foodinspection](http://www.elpasotexas.gov-foodinspection). **(Refer to Exhibits K & K-2 – City of El Paso Department of Public Health – Food Inspection Program and Frequently Asked Questions & Answers Provided)**

Supplementary information also available in District Regulation CO. **(Refer to Exhibits L, L-2, L-3, & L-4 – District Regulation CO – Food Service Management – Health Regulation Compliance for School Concessions and Exhibits)**

**Finalize Formation of Parent Teacher Organization** – Complete the Parent Organization Registration Form and submit to the campus along with the required documentation listed on the form. Once the form is approved and required documents are verified by the Finance Department, the PTO will be formally recognized and may proceed with performing approved activities. **(Refer to Exhibit M)**

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### GOVERNANCE

#### DISTRICT AUTHORITY

---

The PTO shall accept the authority of District administration and shall comply with all regulatory requirements specifically District Policy and Regulation GE – Relations with Parent Organizations. PTO members shall follow the same standards of conduct as District employees when chaperoning, sponsoring, or attending student activities. In the interest of student safety, the following activities are prohibited:

- The purchase or consumption of alcoholic beverages and smoking while on school property or in the presence of students.
- Any activity which may pose a danger to student health and safety.

#### INDEPENDENCE

---

The parent organization works cooperatively with the campus; however, is a separate entity. To establish a line of separation between the District and the PTO, the PTO shall:

- Establish a PTO name which differentiates the PTO from the campus. The official PTO's full name must be used on all correspondence and communications.
- Register with the applicable local, state, and federal governmental entities. When communicating with these governments, the PTO shall use their own unique entity reference numbers and shall not sue the entity reference numbers of the District.
- Be responsible for all obligations incurred whether the commitment is financial or otherwise.
- Not seek to direct the administrative activities of the campus or to control District policies/regulations.
- Establish a separate bank account.
- Not commingle their funds with school activity funds.
- Not collect money from students through the assistance of the campus/district employees.
- Issue contracts in their name only.
- Make donations to the District through the campus business office and not directly to sponsors, teams or team members.
- Not have District employees working in a financial capacity.
- Not grant the District Teacher Representative voting rights. The representative shall serve the role of advisor.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

- Assume liabilities for personal injuries or property damage arising from their activities and will consider the purchase of liability insurance to protect the organization and its members.
- Seek own legal and tax advice separate from the District.



# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### BOARD OF DIRECTORS

The affairs of the PTO shall be managed by the board of directors. Directors are also referred to as officers in these guidelines. The board of directors shall include at a minimum the positions of president, vice president, treasurer, and secretary. The board of directors may create and delegate tasks to committees. Officers have the responsibility to ensure the organization's procedures and operating practices remain in compliance with all regulatory requirements.

### ROLES OF ELECTED OFFICERS

---

#### President

- Shall be the principal executive officer of the PTO and shall in general supervise and control all of the business and affairs of the PTO.
- Works with the principal and teacher representative in coordinating PTO activities with school needs to include the scheduling the PTO meetings for the year.
- Prepares the agenda for the PTO Officers meeting, gathers input from the principal/ teacher representative and other PTO members. The agenda is distributed to the PTO Officers one week prior to the general meeting and posted for general membership review.
- Presides at all meetings of the PTO Officers and general assembly.
- Has the authority to table and/or limit discussion on a specific topic for one meeting.
- Can serve as the second signature on the checking account for the organization.
- Must sign, along with the treasurer, any contracts or other instruments which the board of directors has authorized to be executed.
- Monitor the PTO's financial condition.
- Ensure compliance with regulatory requirements.
- Prepares a summary for the monthly parent update/newsletter.

#### Vice President

- In the absence of the president or in the vent of his/her refusal to act, shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president.
- Can serve as the second signature on the checking account for the organization;

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

- Partner with the school webmaster in monthly updating the PTO's news, calendar of events, etc. on the campus web page and on the campus bulletin board;
- Partner with the district's Public Information Office for newspaper or media publicity.

### Treasurer

- Is the authorized custodian of the PTO's funds.
- Shall deposit all monies receiving into the PTO bank account.
- Disbursements shall be made in accordance with the budget, bylaws, or as authorized by the board of directors.
- Prepare financial documents submitted to the campus such as the fund raiser applications and recaps, donation letters, and financial reports.
- Reconcile bank statements to the PTO's financial records and resolve any discrepancies immediately.
- Provide quarterly and year-end financial reports and other requested documents to the audit committee.
- Present financial reports (itemizing all receipts and expenditures) to the general memberships at the end of each semester (January and June).
- File sales tax reports as required by the Texas Comptroller's Office (monthly, quarterly, and annually).
- File annual IRS e-postcard or 990 forms.
- Be available to committee chairs for purchases.
- Ensures that checks include two signatures from authorized PTO officers. The treasurer and one other.
- Present a financial statement at every meeting of the organization and other times when requested by the PTO President, principal, or District administration.
- At the end of his/her term – assist the incoming treasurer and president in review of the books.
- Other financial duties as outlined in the bylaws or as assigned by the board of directors.

### Secretary

- Is responsible for keeping accurate records of the proceedings of the organization.
- Shall record and prepare the meeting minutes.
- Provide copies of the meeting minutes to all PTO Officers for review within one week of the meeting for approval.
- Provide copies of the approved meeting minutes to the campus principal.
- Shall notify members of general PTO meetings at least one week prior.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

- Shall handle all nonfinancial correspondence on behalf of the PTO.
- Maintain a central file containing documents submitted to the campus or other organizations.
- Shall maintain a list of current members and committees.
- Keep in a bound book a correct record of all general meetings and Officers' Committee sessions.

### Membership Coordinator

- Create and distribute Membership Brochure (instructions on how to join or participate in the campus PTO, information on the various committees and how to join one etc.
- Collect membership forms.
- Edit/update membership roster/database
- Submit membership payments to the Treasurer
- Maintain roster of volunteers (non-voting members) who participate in the various committees.
- Notify members of general PTO meetings at least one week prior.

## ELECTION OF OFFICERS

---

A parent meeting must be held to elect officers. The Officers are elected positions, excluding the Principal and Teacher Representative. The elected positions will consist of the following:

President  
Vice President  
Secretary

Treasurer  
Membership Coordinator

Only active members in good standing (as defined by the organization's bylaws) shall be permitted to hold office or vote upon any matter of business of the organization. The PTO may not elect officers that do not have a child or grandchild who is actively enrolled during the current school year.

Individuals elected to the positions of president and treasurer shall not have a familial relationship. The elected officers may have no more than two, one-year consecutive term maximum.

The PTO shall not elect members to office which have a conflict of interest. Officers shall not assign members to committees which have a conflict of interest.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

The election of officers will occur annually by May of each year so that the newly elected officers may be in place for the start of the next school year.

The general membership shall elect its officers by paper ballot, one vote per member of the organization - using simple majority or secret ballot. A notice must be posted on the school newsletter and school web-site seeking nominations of individuals interested in serving as a PTO Officer for each elected office. Recommendations may also be taken from the floor at the time of the vote.

Outgoing officers will meet with newly elected officers before the end of the school year to discuss responsibilities of the office and turn over any records and/or pertinent information regarding the position and/or organization.

If there is a vacancy in the office of the president, the vice president will become the president. At the next General Assembly PTO meeting a vice president will be elected. If there is a vacancy in any other office, members will fill the vacancy in like manner.

### **MEETINGS**

---

A majority of the board shall constitute a quorum for the transaction of business. No resolution may be adopted except by the board or as delegated by the board. A majority vote shall be required to take action on items presented at general meetings.

All items to be discussed at the General Meetings will be presented as an agenda item on the prior PTO Officers meeting. The agenda or any changes to the regularly scheduled meetings shall be posted on the organization's website or at the campus business office 72 hours prior to the meeting.

Board meetings shall be open to the public. The board shall meet at least monthly on a set day of the month, time, and location. There shall be at least 2 general assembly meetings, not more than 9 general assembly meetings in one school year.

Minutes shall be recorded at each meeting, which shall be accessible by its members, campus, and the general public. The approved minutes shall be provided to the campus principal monthly. At each meeting, the treasurer shall present financial report consisting of the cash balance, and money received and expended since the last report.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### MEMBERSHIP

---

When forming a PTO, a membership drive shall be held to inform parents about the organization and when the first meeting will be held.

Any parent, grandparent, or guardian of a student enrolled at the campus, the principal, or any district employee currently employed at the campus may become a PTO Member.

The PTO may charge dues to their members; however, parents do not have to be members of the PTO for their children to participate in the student group activities. Membership dues are separate from the expenses incurred by sponsoring a student group or activity. Membership dues are associated with the parents being part of the PTO and are in no way associated with the expenses related to that parent's child.

### PTO COMMITTEES

---

In addition to the board of directors, the PTO can organize various committees made up of PTO members for specific purposes. Committees may consist of members and PTO Officers, with the president acting as an ex officio member of all committees.

Before the start of a school year and at the start of the second semester the PTO Officers will decide what standing committees will be held for the school year. The officers will appoint chair people for these committees.

- A Nominating Committee is formed in the spring of each year. The committee's purpose is to recommend officers for the next school year. The committee shall solicit recommendations for the officer positions from its members. The committee should then contact the potential candidates to ensure their willingness and desire to serve. The nominating committee should report back to the membership by April so that elections may be held.
- The Audit Committee reviews the PTO's financial transactions to ensure compliance with approved procedures and to ensure financial reports are presented accurately. The treasurer shall make records available as requested by the audit committee.
- Special Committees are created for a specific purpose and voted upon by the board of directors. The committee is automatically dissolved as soon as that purpose is accomplished and the

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

committee report is completed and submitted. Some examples of special committees are as follows:

- Book Fair
- Carnival
- Fit N Fun Family Day
- Lost and Found
- Spirit Week
- Book Club
- Beautify Campus
- Beautify Community Day
- Community Service
- Grandparents /Special Guest Day
- Fall Fundraiser
- Spring Fundraiser
- Teacher Appreciation Day
- Veterans Day
- Student Dances
- Thanksgiving
- Parent Reading Club

## **DISSOLUTION**

---

To dissolve the PTO, a resolution shall be adopted by the board of directors stating that the question of such dissolution be considered at a special meeting to be voted on by the general memberships.

The special meeting to adopt the resolution to dissolve the organization requires a 14-day advance notification (calendar days) and two-thirds vote from general membership. Once the resolution is adopted, the president shall prepare a memo to its members and campus to document the decision to dissolve.

The board of directors must determine the distribution and usage of treasury monies and other assets before dissolution. In order to comply with IRS guidelines, care should be taken to ensure that excess funds are distributed within the framework of the PTO's original purpose. Any other distribution of funds could void the organization's tax exempt status and force it into a fully taxable situation.

The Superintendent may suspend the organization for up to one year at his/her discretion.

At the end of the suspension, new officers must be elected with the previous officers ineligible for election for a period of one year.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### FINANCIAL

#### ACCOUNTING SYSTEM

---

The PTO shall implement an accounting system which will meet the needs of the PTO for several years. Accounting transactions shall be recorded in the accounting system (software package, such as Excel, Quick Books, etc.) to establish financial accountability, produce financial reports, and perform research. The accounting system should at a minimum track revenues and expenses. The treasurer shall be responsible for maintaining the accounting system.

#### BANK ACCOUNT

---

The parent organization shall establish its own checking account to be able to make deposits and disbursements. The checking account shall be established with a unique EIN number belonging to the PTO. A person's social security number or the District's EIN numbers shall not be used to set up the checking account. The president, treasurer, vice president shall be authorized signers. A District employee may NOT be an authorized signer. Bank statements shall be mailed to the organizations official address.

#### CARRY-OVER BALANCES

---

Funds not used during the years shall be carried over to the following year. The PTO shall leave the succeeding year PTO with a beginning fund balance sufficient to begin business. The PTO may save money raised over a couple of years for a large expense. The organization shall inform its members and campus the purpose of the excess funds.

#### BUDGET

---

The PTO shall develop a financial budget at the beginning of the school year prior to generating revenue or incurring expenses. The budget is to list all forecasted revenue and expenses for the current school year. The budget shall be approved by the board of directors and made available to its members unless the bylaws require approval from the general membership. The budget must be amended before paying for or ordering items no on the budget. Petty cash accounts, credit cards, or similar discretionary funds should not be provided to sponsors/principal/members. The PTO is restricted to fundraisers and expenditures listed on the budget. **(Refer to Exhibit N)**

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### AMENDMENTS

---

The roles and responsibilities of the PTO may be changed according to its needs. These changes may require amendments to the budget provided that majority of membership in attendance at any regular meeting be informed and allowed to approve/disapprove by consensus or vote.

### FISCAL YEAR END

---

The PTO shall establish a fiscal year-end date of June 30<sup>th</sup>.

### FINANCIAL REPORTS

---

The financial reports shall include revenues and expenses. The financial reports shall be provided to the membership and principal at least twice a year (January and June). (Refer to **Exhibit O**) The Financial Reports shall include at a minimum:

- Name of Campus,
- Name of PTO,
- Name, title, and signature of the person who prepared the report,
- The time period covered in the report, and
- The date the report was prepared.

### AUDITS

---

The audit committee consists of members who are independent from day-to-day financial activities shall audit the organization's financial records to ensure compliance with approved procedures and to ensure financial reports are presented fairly.

The committee shall audit the financial reports issued by applying the following steps:

- Ensure all money received was properly accounted for and deposited.
- Ensure all disbursements were allowable, properly supported and approved.
- Ensure financial transactions were properly posted.
- Ensure bank reconciliations are accurate.



# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

- Ensure financial reports are accurate.

The committee shall also verify that sales tax reports and federal returns have been sent to the Texas State Comptroller's Office and the IRS.

Discrepancies found through the audits shall be brought to the attention of the treasurer and president.

The audit committee shall make a report to the general membership upon completion of the audit. A copy of the audit report shall be provided to the campus principal.

### **FUND RAISERS**

---

Before any fund-raising activity occurs, the PTO shall complete the PTO Fund Raiser Application form to conduct a FR activity. The form must be submitted to the principal for approval. A copy of the approved FR Application Form must be forwarded to the Finance Accountants. **(Refer to Exhibit P)**

Students may participate in on-campus fund raising activities in conjunction with the PTO only with the principal's approval. There is a limit of two (2) fundraisers per year with the involvement of students, one in the fall, and one in the spring. Approved fund raising activities are to be conducted before school, after school, or during lunch, so as not to interfere with instructional time. This includes the distribution of materials and the collection of funds.

All funds must be collected by parent organizations members and money must be removed from the campus. District employees must not be in any way involved in the fund raising activities while on duty. PTO's are discouraged from competing with the District's lunchroom and campus student organization fund raising activities on campus.

- **Concession Stand** - The parent organization may have a concession stand at a school-sponsored event provided that:
  - Approval is obtained in advance from the campus principal,
  - The organization remits at least ten percent (10%) of the gross sales from the concession stand to the campus,
  - The parent organization complies with applicable El Paso Department of Public Health and District requirements, and provides

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

a copy of the Food Establishment Permit to the Office manager before any activity is held on district property.

- **Unallowable Fund Raisers**-Unacceptable fund raising activities on campus include:
  - Gate receipts or admission for fine arts activities, unless the PTO retains only a portion of the receipts to fairly compensate it for its efforts in regard to the activity, with the balance to be remitted to the campus on a basis to be agreed in advance by the campus principal (not less than 50%).
  - Gate receipts or admission for athletic activities.
  - Bingo Games
  - Raffles
  - Homemade baked items during the school day
  
- **Fundraising Recap** –The organization shall document the profit/loss of the fundraising activity by completing the Fund Raising Recap (**Refer Exhibit Q**). The completed recap shall reconcile with the organization's accounts. The recap shall be provided to the campus within 45 days after the activities ending date.

### MEMBERSHIP DUES

---

The organization may charge no more than \$5.00 as a membership due to its members (the parents); however, parents do not have to be members of the parent organization for their children to participate in the student group activities. Membership dues are separate from the expenses incurred by sponsoring a student group (example: trip expense, uniforms, etc.). Membership dues are associated with the parents being part of the parent organization and are in no way associated with the expenses related to that parent's child.

### CHARITABLE CONTRIBUTIONS RECEIVED

---

The parent organization shall provide the donor a letter of acknowledgement containing the name of the organization, the date, the amount of the cash received or a description of any property contributed.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### **DONATIONS TO THE DISTRICT**

---

The campus principal will report all donated items by the parent organization to the campus by completing a Donation Approval Request Form (**Refer to Exhibit R**). The donated items are reviewed and approved by the District Board of Trustees. Donations which result in landscaping and/or building modifications must be approved by the Facilities & Transportation Executive Director. Donations become the sole property of the District; however, the District's administration has historically assigned the donated asset to the campus asking for the donation approval. Once accepted, donations cannot be returned to the donor.

### **MONEY HANDLING**

---

Money handling shall be performed or supervised by the treasurer. For each fund raising event, the treasurer shall select the cash handling method which is most appropriate (accountable and feasible). Below is a list of the allowable cash handling methods.

#### Pre-numbered Cash Receipts

- The treasurer purchases cash receipt books.
- The treasurer maintains a cash receipt book log which lists all cash receipt books purchased.
- The treasurer issues cash receipt books to members responsible for collecting cash and records issuance of the books on the Receipt Book Log.
- The collector issues receipts in the presence of the person turning in money (cash collection point).
- The collector turns in all money collected to the treasurer.
- The collector and treasurer count the cash to ensure cash received equals total cash receipts.

#### Tickets

- The treasurer purchases tickets.
- The treasurer maintains a ticket log which lists all tickets purchased.
- The treasurer issues tickets to those members responsible for selling tickets and records issuance of the tickets on the Ticket Log.
- The collector turns in all money collected to the treasurer.
- The collector and treasurer ensure cash received equals the amount of tickets sold.

#### Collection Log (used for small transactions)

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

- The treasurer provides a collection log to the member responsible for collecting cash.
- The collector receives the cash and completes the Collection Log by entering the name of the person turning in the cash, the amount and date.
- The collector turns in all money and collection log to the treasurer.
- The collector and treasurer ensure cash received equals the total amount listed on the collection log.
- This method is to be used only if it would be impractical to issue cash receipts or tickets.

### DEPOSITS

---

All money received by the organization shall be delivered to the treasurer for deposit. The treasurer shall recount the money received and verify that supporting documentation is adequate. Any overages or shortages shall be documented and explained by the member turning in the money. The treasurer shall prepare a deposit slip the same day the money was received. The deposit slip amount should match the amount of money received. A copy of the deposit slip shall be attached to the supporting documentation.

The treasurer shall make deposits within 24 hours after receiving money. Money received should only be deposited in the parent organization's account. All deposits shall be entered into the accounting system. Deposits shall be reconciled on a monthly basis to the parent organization's bank statement.

### RETURNED CHECKS

---

The organization shall use the following steps to handle returned checks:

- Send a notice of dishonor(**Refer to Exhibit S**) to the check writer.
- In the notice of dishonor:
  - Demand payment within (10) days of receipt of the notice,
  - Request a merchant collection fee of **\$30**,
  - Send a copy of the check to the check writer.
- Send the notice of dishonor by certified mail, return receipt requested.
- Keep a copy of the notice of dishonor, check, and confirmation of receipt.

If the check writer does not respond, send the following to the El Paso County Attorney's Office and make copies for your records:

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

- The original check
- The notice of dishonor
- The return receipt (green card) or sealed returned envelope
- The County Attorney Hot Check Intake Form (**Refer to Exhibits T& T-2**  
**– EP County Attorney Hot Check Intake and Guidelines**)

### REFUNDS

---

Request for refunds shall be approved by the president. The person requesting a refund shall provide proof of payment. The treasurer shall ensure the refund was not previously made. Refunds shall be documented on a Disbursement Voucher Form (**Refer to Exhibit U**) and should not exceed the amount of the payment. Refunds shall be provided through a check, cash refunds should not be made.

### SAFEGUARDING MONEY AND RECORDS

---

Money and related records shall be safeguarded from loss by applying the following steps:

- Money and blank checks shall be kept in a locked area
- Money and records of money received (example: receipts, copies of checks) shall be stored in separate locations
- Money received and not yet deposited should not be used.

### DISBURSEMENTS

---

Allowable disbursements shall be:

- Approved in the budget.
- Meet the purpose of the organization.
- Be in compliance with all regulatory requirements.

The board of directors (unless bylaws require general membership approval) may amend the budget to authorize additional expenditures. The president and treasurer are authorized to make disbursements according to the approved budget by completing a Disbursement Voucher Form (DV) (**Refer to Exhibit U**). The DV shall be prepared and approved prior to making any disbursements.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

All disbursements shall be recorded in the accounting system and reconciled to bank statements on a monthly basis.

### **PAYMENT OF SERVICES**

---

The parent organization shall seek volunteers to perform work for the organization. If the organization needs additional help through hired workers, the organization shall first consider the tax and reporting requirements. Please note that payroll law can become complicated. Athletic parent organizations cannot support athletic camps, clinic, private instruction, or any activity outside of the school (**Refer to Exhibit V – Refer to UIL Booster Club Guidelines**).

It is critical that the parent organization, as the employer, correctly determine whether individuals providing services are employees or contractors. Generally, the parent organization must withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. The parent organization does not generally have to withhold or pay any taxes on payments to independent contractors. Inappropriately classifying an employee as a contractor can lead to future tax obligations, interest and penalties.

The classification decision is based on the level of control the parent organization has over the individual performing the service. Less control may indicate that the service provider is a contractor, while more control may indicate an employee relationship. Depending on the classification, the appropriate withholding and tax procedures shall be applied as required by the IRS. The following are summarized reporting requirements (not all procedures shall be applied as required by the IRS). The following are summarized reporting requirements (not all inclusive):

- A parent organization shall issue a 1099 form to independent contractors which were paid more than \$600 during a calendar year.
- A parent organization shall issue a W-2 form to employees and withhold funds as required by the IRS.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### CHECK ISSUANCE

---

The following rules shall be applied when issuing checks:

- All disbursements must be made through checks.
- All checks must be made out to a specific person, company or organization. Checks cannot be made payable to “cash” or to the “sponsor”.
- The check must be typed or written in ink.
- The president and treasurer shall sign all checks. The vice president may be used as an alternate for both the president and treasurer in emergency situations.
- Under no circumstances shall checks be pre-signed.
- Blank checks cannot be issued. If the amount of the disbursement is unknown, the president and treasurer should ensure that all other major components on the check are completed. This includes: payee, date, purpose, and authorization. If one of these checks is lost, it is the responsibility of the member to immediately notify the treasurer in order that the Stop Payment Request can be processed.
- If it becomes necessary to void a check, the check signature must be cut off and the check must be clearly marked “VOID”. The voided check must be filed with the corresponding Disbursement Voucher. Do not alter or erase a check. Reissue if a change needs to be made.

### REIMBURSEMENTS

---

Reimbursements are discouraged. Whenever possible, the check should be written to the vendor. Checks may be issued to members to reimburse them for personal funds used on behalf of the organization provided that they:

- Receive prior written approval from the president on a Disbursement Voucher,
- Submit proper documentation that supports the expenditure,
- Do not pay for services.

### RECEIVING

---

Original dated invoices or machine register tapes shall be attached to the Disbursement Voucher. The person receiving the goods or services shall sign the invoice or receipt. The signature indicates satisfactory receipt of goods or services.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### **DISPOSING OF ASSETS**

---

Members shall not dispose of property belonging to the organization without authorization from the president. Property of the organization may be sold at fair market value and all proceeds shall be deposited to the organization's bank account.



# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### COMPLIANCE

This section describes the parent organization's responsibility in complying with federal, state, city, and District regulations.

### FEDERAL

#### EMPLOYEE IDENTIFICATION NUMBER

---

The parent organization shall obtain a unique Employee Identification Number (EIN) from the IRS. The parent organization shall only use its own EIN when completing forms. The organization is not automatically considered tax-exempt by acquiring an EIN (**Refer to Exhibit B**).

#### FEDERAL TAX EXEMPTION

---

The parent organization must ensure it qualifies for tax exempt status. According to IRS regulations, a qualified tax exempt 501(c)(3) organization must meet the following:

- An organization must be organized as a corporation or unincorporated association. The organizing document must limit the organization's purpose(s) and permanently dedicate its assets to exempt purposes.
- An organization must be operated to further one or more of the exempt purposes stated in its organizing document.
- An organization must refrain from participating in the political campaigns of candidates for local, state, or federal office.
- An organization must ensure that its assets and earnings do not unjustly enrich board members, officers, key management employees, or other insiders.
- An organization must not further nonexempt purposes (such as purposes that benefit private interests) more than insubstantially.
- An organization must not operate for the primary purpose of conducting a trade or business that is not related to its exempt purpose(s).
- An organization must not engage in activities that are illegal or violate fundamental public policy.
- An organization must restrict its legislative activities.

The parent organization must also comply with the following specific procedures to retain their tax exempt status:

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

The tax exempt organization must benefit the group as a whole instead of benefitting individual members of the group. All members of the student group sponsored are to be treated equally and receive the same opportunity to benefit from the parent organization's assistance. Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need discussed below is met.

In some instances, individuals may not be able to afford to pay the amount owed to participate in a particular event. The IRS has indicated that a group or club may establish criteria that could be used to determine if a person is in financial need. If the criteria are met, the group or club could provide the necessary funds to allow the individual to participate. The criteria should be established in writing prior to a particular situation arising. In addition, the criteria should be used consistently for all people, and the criteria should not change annually.

Tax exempt organizations cannot use individual accounts. "Individual accounts" are those accounts used by a parent organization to credit an individual with revenues raised and expenses incurred.

Tax exempt organizations cannot require a person to participate in fund raising activities or to sell a certain amount. Normally, parent organization raise funds for a student group through the efforts of its members; however, sometimes the students of the group being assisted participate in the fund raising activities. A parent organization cannot require its members or students in the related student group to participate in a fund raiser. Furthermore, members of the student group who do not participate in fund raising activities would receive the same opportunity to benefit as those members of the student group who participated.

To apply for federal tax exemption complete Form 1023 (**Refer to Exhibits D & D-2**) and read Form 1023 Instructions (**Refer to Exhibit D-3**).

### **FEDERAL TAX RETURNS**

---

Tax exempt organizations which have registered with the IRS through Form 1023, must file a return according to the table below:

<b>Revenue Generated</b>	<b>Form To File</b>
Gross receipts normally $\leq$ \$50,000	990-N, 990-EZ or 990
Gross receipts $<$ \$200,000, and Total assets $<$ \$500,000	990-EZ or 990
Gross Receipts $\geq$ \$200,00, or Total assets $\geq$ \$500,000	990

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

A tax exempt organization which has annual gross receipts of less than \$5,000 and has not filed a Form 1023, must file a Form 990-N.

Tax returns are due by the 15<sup>th</sup> day of the 5<sup>th</sup> month after the organization's fiscal year end.

If the return is filed after the due date (including any extensions), and the organization doesn't provide reasonable cause for filing late, the IRS will impose a penalty per day for each day the return is late.

An organization that fails to file the required information return for three consecutive tax years will automatically lose its tax exempt status. The revocation of an organization's tax exempt status will not take place until the filing due date of the third year.

To obtain forms and instructions go to [www.irs.gov](http://www.irs.gov) and type in search engine the form that you would like to access.

## **TITLE IX**

---

Title IX law prohibits discrimination under any education program or activity receiving federal financial assistance. This would apply to athletic programs to include funds raised by parent organizations. Therefore, parent organizations must work to ensure that their contributions do not cause inequity between athletic programs. A recipient of federal funds can demonstrate compliance with Title IX by meeting one of the three items listed below:

1. Provide athletic participation opportunities that are substantially proportionate to the student enrollment, or
2. Demonstrate a continual expansion of athletic opportunities for the underrepresented sex, or
3. Provide full and effective accommodation of the interest and ability of underrepresented sex.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### STATE

#### SALES TAX PERMIT

---

The parent organization must obtain a Sales Tax Permit by completing a Sales Tax Permit Application (**Refer to Exhibits E& E-2**) from the Texas State Comptroller's Office to sell taxable food or services. There is no charge to apply. The parent organization should not use the District's Sales Tax Permit Number. For additional information read *School Fundraisers and Texas Sales Tax* (**Refer to Exhibit F**) and *Frequently Asked Questions – Obtaining a Sales Tax Permit* (**Refer to Exhibit E-3**).

#### SALES TAX CALCULATIONS

---

For taxable fund raisers, the parent organization may sell items at either, price plus sales tax, or the price may include the sales tax.

If the price includes sales tax, the term "TAX INCLUDED" must be displayed where customers would normally be advised of the terms of the sale (example; brochures, invoices, contracts, and signage). The following calculation shall be used to determine the actual price and sales tax:

#### SALES TAX RETURNS

---

Texas Sales and Use Tax returns and payment must be sent to the State Comptroller monthly, quarterly, or yearly based on the amount of sales tax collected.

- Monthly: \$500 or more was collected in state sales and use tax per month. Monthly returns are due on or before the 20<sup>th</sup> day of the month following the month in which the taxes were collected. For example, the July return must be filed on or before August 20<sup>th</sup>.
- Quarterly: \$499 or less was collected in state sales and use tax per month (or less than \$1,500 per calendar quarter). Quarterly returns are due on or before the 20<sup>th</sup> day of the month after the end of the quarter in which the taxes were collected. For example, the first quarter covers January, February, and March, and the return must be filed on or before April 20<sup>th</sup>.
- Yearly: \$999 or less was collected in state sales and use tax per year. Yearly returns are due on or before January 20<sup>th</sup>.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

Late returns and payments are subject to interest and penalty charges. Sales tax returns submitted after the due date, do not qualify for the discount. Taxpayers are assessed a \$50 late filing penalty after more than two returns are received with a postmark date later than the due date. Once a taxpayer has filed late three or more times, the penalty is automatically assessed on every subsequent late filing. The late filing penalty is assessed even if there is no tax due during the period covered by the report. There are additional penalties imposed on late returns. Additionally, delinquent taxpayers may be referred to an outside collection agency which may be subject to a collection fee.

If the organization fails to file a sales tax return timely, it may receive a Notice of Tax/Free Due that estimates the amount of sales tax due for the filing period. This is an estimate only. The estimated figure will be replaced with the actual amount of tax due once a return is filed. A return must be filed even if no sales are made. If the organization does not file and pay the sales tax on or before 20 days after the estimate is received, the organization will also be liable for additional penalties on the outstanding tax. Therefore, the organization may be assessed additional penalty fees on the tax due plus an applicable collection fees and interest. For more information read *Reporting and Remittance Frequently Asked Question*(Refer to Exhibits E, E-2 & E-3).

### SALES TAX EXEMPTION

---

The parent organization may be exempt from paying sales tax for purchases related to the organization's exempt purpose. The parent organization may obtain a Sales Tax Exemption from the Texas Comptroller. To apply for a Sales Tax Exemption, the organization must submit Form AP-204 (**Refer to Exhibit G**), along with a written statement detailing the nature of the activities conducted or to be conducted, copies of articles and bylaws, and a copy of the IRS tax exemption determination letter. The determination letter is necessary to apply for a Sales Tax Exemption Certificate. There is no charge to apply.

### SALES TAX FREE DAYS

---

If the parent organization has obtained a Sales Tax Exemption it may hold, two one-day tax-free sales each calendar year.

The tax free day status means that tax is not collected on normal taxable sales on the date which the organization designated as tax free. Brochures and

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

book fairs cannot be claimed as tax free day sales. In these types of activities, the organization is acting as an agent for the fund raising vendor. Therefore, the vendor is responsible for reporting and remitting the sales tax to the state.

The organization may take orders and receive payments over a period of time for taxable items. A tax free day can be utilized if the items are distributed on one day.

The Texas Comptroller's Office requires that tax free day sales be approved prior to the activity date and that accurate records be maintained to support the tax free days. For additional information read *School Fundraisers and Texas Sales Tax* (**Refer to Exhibit F**).

### **TEXAS FRANCHISE TAX**

---

Incorporated nonprofit organizations are subject to Texas Franchise Tax; however, the organization may obtain an exemption from the Texas Comptroller. The parent organization shall provide the Texas Comptroller a written statement requesting an exemption from Franchise Tax. This statement should be submitted long with the Tax Exemption application described in the Sales Tax Exemption section. Non-corporate organizations or associations are excluded from the tax.

### **UNIVERSITY INTERSCHOLASTIC LEAGUE (UIL)**

---

Parent organizations assisting groups sanctioned by UIL shall read and comply with the UIL Booster Club Guidelines (**Refer to Exhibit V**). Below is a summary of the major compliance areas, which is not all inclusive.

- The organization shall ensure strict compliance with the Athletic Amateur Rule and the Awards Rule by not providing anything to students, including awards, without the permission of the campus.
- The penalty to a student-athlete for violating the Athletic Amateur Rule is forfeiture of varsity athletic eligibility in the sport for which the violation occurred for one calendar year from the date of the violation. Student athletes are prohibited from accepting valuable consideration for participation in school athletics – anything that is not given or offered to the entire student body on the same basis that it is given or offered to an athlete. Valuable consideration is defined as tangible or intangible property or service including anything that is usable, wearable, salable, or consumable. Athletic teams may accept food items with the permission of the campus.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

- Coaches and directors of UIL academics, athletics, and fine arts may not accept more than \$500 in products or services from any source in recognition of or appreciation for coaching, directing, or sponsoring UIL activities. The \$500 limit is cumulative for a calendar year and is not specific to any one particular gift. Cash gifts to coaches or sponsors are not allowed.
- Individuals who actively coach or direct a UIL activity should serve in an advisory capacity to the parent organization and should not have control or signature authority over parent organization funds, including petty cash or miscellaneous discretionary funds.
- Reimbursements to coaches are not allowed.
- The organization may donate money or merchandise to the school with prior approval of the administration. These kinds of donations are often made to cover the cost of commercial transportation and to cover costs for out-of-town meals. It would be a violation for the organization or individual to pay for such costs directly. All money or merchandise donated to the school must be turned in to the business office and receipted.

### CHILD NUTRITION

Foods of minimal nutritional value cannot be provided to students anytime, anywhere on campus until after the end of the last scheduled class. Snacks meeting portion size and fat content restrictions may be donated to the campus for distribution during the school day. For additional information read *Texas Public School Nutrition Policy at a Glance* (**Refer to Exhibit W**) and visit [www.squaremeals.org](http://www.squaremeals.org).

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### CITY

#### SOLICITATION PERMIT

---

The parent organization shall obtain a Solicitation Permit to conduct any charitable solicitation campaigns. A charitable solicitation campaign is defined as any course of conduct whereby any person shall solicit money or property for an organization which is organized for any charitable, educational, patriotic or philanthropic purpose. The parent organization shall submit the Charitable Solicitation Application (**Refer to Exhibit H**) along with the processing fee to the El Paso City Services Department. Charitable organizations continuously operating on an annual basis may hold permits effective for a one-year period which shall correspond with the fiscal year of the organization. For more information read Municipal Code – Charitable Solicitations (**Refer to Exhibit H-2**).

#### FOOD ESTABLISHMENT PERMIT

---

If the parent organization will be conducting food sales, a Food Establishment Permit should be obtained from the El Paso Department of Public Health. Contact the Public Health Department at (915) 771-5702 or [www.elpasotexas.gov-foodinspection](http://www.elpasotexas.gov-foodinspection). (**Refer to Exhibits K & K-2 – City of El Paso Department of Public Health – Food Inspection Program and Frequently Asked Questions & Answers Provided**)

Supplementary information also available in District Regulation CO. (**Refer to Exhibits L, L-2, L-3 and L-4 – District Regulation CO – Food Service Management – Health Regulation Compliance for School Concessions and Exhibits**)



# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### DISTRICT

#### FORMATION APPROVAL

---

Organizers which intend to create a new parent organization shall complete the Parent Organization – Formation Approval Form (**Refer to Exhibit A**) and should obtain the appropriate campus approvals. This grants the organizers permission to proceed with the necessary steps to plan and organize the parent organization; however, a parent organization is not formally recognized at this point.

#### REGISTRATION

---

The organization shall submit the Parent Organization – Registration Form (**Refer to Exhibit M**) to the campus to become a recognized parent organization. The form shall be submitted on an annual basis along with the following:

- List of officers, their addresses and phone numbers
- Articles of Association/Incorporation
- Bylaws
- Annual Budget
- IRS Determination Letter with 501(c)(3) designation (if applicable)
- Sales Tax Exemption Certificate (if applicable)
- Sales Tax Permit (if applicable)
- Solicitation Permit (if applicable)
- Food Establishment Permit (if applicable)

Once the registration form is approved by the principal, the organization may proceed with approved activities. Continuing parent organizations shall ensure documents on file with the campus are current. If the campus already has the current copy, an additional copy is not required.

#### FACILITY USE REQUEST

---

The parent organization may use school facilities by completing the Facility Use Request Form (**Refer to Exhibits X, X-2, X-3, X-4, X-5, X-6 & X-7**) and obtaining approval from the Associate Superintendent's Office. In general, the parent organization may use school facilities without a charge. For additional information read Policy/Regulation GKD (**Refer to Exhibit X**).

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### **VOLUNTEERS**

---

Members who would like to volunteer their time must speak to the campus parent liaison and/or principal. The volunteer must be signed up as a District/Campus Volunteer and provide an official photo identification. The volunteer will be subject to a background check. The campus will notify the volunteer when they may begin to volunteer.

A District Non-Exempt (Hourly) Employee should not volunteer unless:

- The employee has a child or grandchild attending the school at which the employee will be volunteering for the parent organization.
- The employee does not provide the same type of services as provided during the normal workday.
- The employee is volunteering services to the PTO in the sole capacity of parent or grandparent and not as an employee of the District.

### **DONATIONS TO THE DISTRICT**

---

A District Donation Approval Request form (**Refer to Exhibit R**) shall be completed for all monetary and nonmonetary donations to the District. Donations shall be given to the campus business office and not directly to coaches, sponsors or students. All monetary donations must be deposited into a campus/club activity fund.

The parent organization shall obtain approval from the sponsor and principal prior to purchasing items to be donated to the District. Donations which result in landscaping and/or building modifications must be pre-approved by the Executive Director of Facilities & Transportation. Donations for travel expenses must be made in cash in order for the campus to make the travel arrangements.

Donations become sole property of the District; however the District's administration has historically assigned the donated asset (property/cash) to the campus requesting the approval of the donation. Once accepted, donations cannot be returned to the donor.

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

## Parent Organization Roles & Responsibilities

### TRAVEL

---

Funds for District-sponsored travel, even if primarily provided by participants and/or PTO shall be deposited into the District's student activity fund accounts. The purpose of this provision is to facilitate accounting for these funds and ensure cost containment through District contract and purchasing services.

### TRAINING

---

The board of directors, committee members, and general members shall read the Canutillo ISD PTO Guidelines, District Policy GE (LEGAL/LOCAL), District Regulation GE (**Refer to Exhibit Y**).

Mandatory training will be provided on an annual basis to board of directors by the CISD Finance Accountants. In the event, board of directors are replaced during the school year, additional training will be provided.