

**Organizational Options for
Twin Peaks Charter Academy
Parent-Teacher Organizations (PTO) and Booster Clubs**

Option 1: PTO, Booster Club, After-School Programs, Field Trips and Student Council with Academy Student Activity Fund Status

Under this option the Organization or Club shall:

- Operate as part of the Academy.
- File a formal letter with the Academy Business Service's Office indicating their decision to operate as part of the Student Activity Fund.
- Use pooled cash account in the Academy Student Activity Fund.
- Have no business or personal bank account associated with the organization.
- PTO's shall have a set of bylaws describing the operation of the organization.
- Use the Academy's tax identification number (Federal 86-1036415) and Colorado tax exempt number (98-150340000) as restricted by statute.
- Follow Academy purchasing policies and procedures and have all expenditures approved by the school principal.
- Insure that all donations are made in compliance with Board policy KH, Public Gifts to Schools, with all checks made out to the Academy.
- Participate in a financial compliance session put on by the Business Services Office to provide training for new officers or parent volunteers and insure that each organization is knowledgeable of any changes in Academy policy and state or federal law.
- Complete a quarterly reconciliation with the Business Services Office.
- Cooperate with the Business Office during the annual audit process if needed.

Under this option the Academy shall:

- Handle all the accounting, recordkeeping and reporting for the organization or club, including the preparation of the fiscal year-end report.
- Provide limited liability insurance coverage through the Colorado School Districts Self-Insurance Pool (CSDSIP) for all volunteers and parent groups acting within the scope of voluntary duties under the direction of the school principal.

Note: Volunteers are not insured by the CSDSIP for any auto liability coverage or for workers compensation.

Option 2: PTO, Booster Clubs or Foundations with 501 (c) (3) Non-Profit Status

Under this option the PTO, Booster Club or Foundation shall:

- Operate as a non-profit corporation, independent of the Academy and have control of all monies collected.
- Have a set of bylaws describing the operation of the organization.

- Apply for 501 (c) (3) status and file an annual Internal Revenue Service Form 990 tax return. Copies of each of these shall be filed with the Business Services Office.
- Have its own bank account with at least two (2) signatures required on each check.
- Apply for and use its own tax identification number.
- Apply for and use its own local and state sales tax license.
- Purchase general liability insurance that meets or exceeds the following specifications: The policy limit of liability shall not be less than \$1,000,000 per occurrence for claims arising out of bodily injury, death and property damage. The policy form must include premises liability, products and completed operations liability, personal and advertising injury liability, contractual liability, at least \$100,000 damage to rented premises coverage, and at least \$1000 medical payments coverage. The policy must be endorsed to include the District as an additional insured, with 30 days notice of cancellation provide to the District. Only occurrence policy forms are acceptable; claims-made policy forms are not acceptable. The Academy will accept policies written only by insurers legally authorized in the State of Colorado and rated by A.M. Best Company not lower than “A-VII”. The parent group must file a current certificate of liability insurance, evidencing the issuance of insurance meeting these specifications, annually with the Academy Business Office.
- Use their non-profit corporation name when entering into any contracts and/or permits. A designated officer of the non-profit corporation must sign all contracts and/or applications for permits. (No contracts or permits should be in the Academy’s name).
- Prepare and submit a quarterly report, including at a minimum a balance sheet and income statement, to the Business Services office. The Academy is requesting a copy of the same financial report used as a measure of financial accountability with its members, as specified in the organization’s bylaws.
- Either arrange for an external assessment of the organization’s financial records on an annual basis or complete an annual self-assessment checklist of their procedures and compliance with Academy policies, state and federal laws as provided by the Academy’s auditor. The results shall be filed along with the annual financial report, with the Business Services office by July 31st each year. If the self-assessment checklist is used annually, the organization shall arrange for a formal external assessment by a CPA at least once every three years.
- Cooperate with the Academy during the annual audit process.
- Insure that all donations be made in compliance with Board policy KH, Public Gifts to Schools.
- Participate in an annual training session put on by the Business Services Office to provide training for new officers and insure that each organization is knowledgeable of any pertinent changes in Academy policy and state or federal laws.

Option 2 Disclaimer:

Academy insurance does not cover PTO's, Booster Clubs, Foundations, or any other parent groups organized as non-profit corporations. Furthermore, the Academy is not liable or responsible for loss of their property or money, or the decision made by the non-profit corporation, its board or its officers. The non-profit corporation is encourage to investigate and purchase appropriate officer's liability insurance, property insurance and crime insurance (fidelity bond), in addition to the general liability insurance required by the Academy.

Following the above steps should result in strong organizational management with adequate levels of accountability to the stakeholders. In rare situations an organization may be unable to meet all of the outline commitments and may appeal to the Academy's Finance Committee for a waiver from a particular requirement.

Adopted May 11, 2006

Cross References: KBE-R - District Policy on Organizational Option
KBE - District Policy on Relations with Parent Organizations
KH - Public Gifts Policy which is references in KBE-R

Date: May 8, 2006
To: Board of Directors
From: Lori Miner
Re: Policy T-KBE-R

In April 2006 the District adopted a policy in regards to funds for PTO's and Booster Clubs. The policy stipulates how funds are handled by the District's office and managed through the Student Activity Funds. As the Academy has our own Business Office and handles funds separate from the District, the Finance Committee proposes the attached policy for the Board's review and adoption.

This policy encompasses PTO, fundraising programs such as DC Field Trip, after-school programs such as Drama Club and a possible 501(c)(3) organization.

Attachments included:

T-KBE-R – Academy Policy Draft

KBE-R – District Policy on Organizational Option

KBE – District Policy on Relations with Parent Organizations

KH – Public Gifts Policy which is referenced in KBE-R