

# FREQUENTLY ASKED QUESTIONS

**What is a student support organization (SSO)?** A SSO is any organization that is recognized by WCS as a fundraising arm for the school. It could be a PTO, PTSO, PTA, Band, Fine Art or Athletic Booster. All must operate under the same guidelines as provided below at the federal, state and county levels.

## FEDERAL TAX ID QUESTIONS:

**Does a SSO have to be 501(c)(3) tax-exempt?** The county does not require 501(c)(3) tax-exempt status for SSOs. However, donations to the SSO by companies or individuals are NOT tax deductible unless the IRS recognizes the organization as 501(c)(3) tax exempt.

**As a 501(c)(3) tax-exempt organization, do we have to file federal tax returns?** Yes. You must file either a Form 990EZ (if gross receipts are over \$50,000 but under \$200,000), 990 (if gross receipts are over \$200,000), or a 990N postcard (if gross receipts are under \$50,000). Your return must be filed by the 15<sup>th</sup> day of the 5<sup>th</sup> month after the fiscal year ends. For fiscal years ending June 30<sup>th</sup>, November 15<sup>th</sup> is the due date. All forms and instructions can be found on <https://www.irs.gov/>. It is recommended that your SSO hire an experienced tax accountant to file your federal return.

**Are there requirements for keeping SSO records?** Keeping good records in a central storage spot easily accessible to new officers is essential. The IRS expects organizations to document receipts and expenditures and keep additional records including bank statements, meeting minutes, monthly/yearly treasurer reports and annual tax returns. These documents should be stored for seven years.

## STATE OF TENNESSEE QUESTIONS:

**Can our SSO let other groups use our tax-exempt letter from the State to make purchases?** No. When your SSO obtained tax-exempt status from the State of Tennessee, that status was for your SSO only, not any other organization or person. Do not give any other organization or program your certificate of sales tax exemption to use for their purchases. If you do so, you may be facilitating a tax fraud on the State of Tennessee and could, among other things, lose your SSO's sales tax exempt status.

**Should sales tax be charged for spirit wear sales to parents/third party?** Yes, the sale is between the vendor and the third party individuals purchasing the spirit wear. That being the case, the sales tax should be charged to those third party purchasers that are NOT tax exempt at the time of purchase.

Practice Tip: If you are re-selling something, sales tax has to be paid at some point. It's easier to pay the sales tax when you buy the products rather than charge all your buyers later.

**Do we have to file anything with the State of Tennessee to have a SSO?** Yes, you must file a Charter of Incorporation with the State. Every April 1<sup>st</sup>, you have to renew your Charter. There is a \$20 annual fee, and if changes are made to the Charter there are additional fees. You can find more information and forms at <https://sos.tn.gov/charitable-solicitations-and-gaming/charitable-organizations-helpful-links>.

## WCS REQUIREMENTS:

**Are there specific financial requirements for WCS?** WCS requires that every SSO submit a copy of their bylaws to Leslie Holman ([leslieh@wcs.edu](mailto:leslieh@wcs.edu)) whenever they are revised, so that a current copy is on file with WCS. The fiscal year for SSOs should run from July 1<sup>st</sup> – June 30<sup>th</sup>, and a year-end financial statement is also due to Leslie Holman ([leslieh@wcs.edu](mailto:leslieh@wcs.edu)) by July 31<sup>st</sup> every year.

**As a SSO, do we need to carry insurance separate from the school?** Yes. Every SSO must carry its own liability insurance, and it should be reviewed annually. Coverage should include:

- Commercial General Liability - \$2,000,000 (covers volunteers)
- Fidelity Bond - \$50,000 (covers cash in the bank)
- Directors & Officers Liability - \$1,000,000 (covers Executive Board Officers and Chairs)

Williamson County Schools Board of Education must be listed as an additional insured and certificate holder along with their address. Give the following to your insurance company to be listed:

Williamson County Schools Board of Education  
1320 West Main Street  
Franklin, TN. 47064

When you renew your insurance each year, a copy should be sent to Lenny Ramirez at [leonardor@wcs.edu](mailto:leonardor@wcs.edu).

## SOCIAL MEDIA:

**Can a SSO have its own website?** SSOs are encouraged to have their own websites. The websites must be accessible to people with disabilities and can be linked to the school website, but cannot be managed by WCS. Be wary of using “free” sites as they usually include advertising that is not under the control of the SSO.

**Can a SSO or Booster club have a Facebook Page and/or Twitter account?** Yes. Any way that you can reach out to parents and communicate more effectively, the better, as we are in a social media age. Any SSO social media pages must be named as such, and/or list a disclaimer to the school and WCS. When it comes to photos, SSOs may share pictures that have been posted on the district Facebook and Twitter accounts. Pictures of students that are taken OUTSIDE of the classroom or school, such as at football games, evening musical performances, fall festivals, etc. are allowed, since they were taken during public events. Only pictures from public events are acceptable for SSO and Booster Clubs to post online. Please note that field trips are an extension of the classroom and are NOT open to the public. Practices (sports, plays, clubs) are also closed events. Also, no teacher or staff member should post on an SSO social media page.

**How can a SSO get closed event pictures onto the district Facebook and Twitter accounts so that they can be shared by the SSO or Booster Club social media accounts?** Every Williamson County School has a Good News Ambassador and Webmaster with district issued cameras. The pictures taken on these cameras are submitted to Cory Mason ([corym@wcs.edu](mailto:corym@wcs.edu)) with the communications department. The communications department will post those pictures onto the WCS social media accounts and the SSO can then share or retweet.

**Can a SSO share information about clubs?** SSOs can share information about club sports and student-led clubs through their websites and newsletters. This is different from the school and the district, which can only share information about TSSAA/TMSAA sports and school sponsored clubs and events, because the district is a government entity and federal equal access laws must be followed.

## **BOARD MEETINGS:**

**Should our Principal be included in our SSO Executive Board meetings?** Yes, the principal or his/her representative should be at each Executive Board meeting. They can make requests for funds on behalf of the school and faculty. It is also recommended that a teacher representative attend each Executive Board meeting. Having a teacher representative gives the SSO a good way to communicate more with the teachers and get feedback from them.

**Is there anyone else who should attend Executive Board Meetings?** You are encouraged to invite your School Board Representatives, the Superintendent, and the Superintendent of Middle/High or Elementary Schools to attend your Executive Board meetings. This is a great way to develop a relationship with your School Board members, and let them see what is going on within your SSO and your school community.

## **VOLUNTEERS:**

**What is the process for volunteering in the schools?** WCS has three levels of volunteering in the schools. Each level has a different process. Tier 1 volunteers are those parents that come for an event, such as a fall festival, field day, book fairs. Tier 1 volunteers only need to sign in when they arrive at the school and wear a temporary name tag (such as a sticker). Tier 2 volunteers are parents who help in the front office, library, or nurse's office. They must fill out a confidentiality agreement and have a copy of their driver's license on file at each school in which they are volunteering. These forms need to be turned in each year. Tier 3 volunteers are those parents who have one-on-one contact with students, such as tutoring, field trips, etc. They must go through a background check including fingerprinting. The application can be found at <https://docs.wcs.edu/pdf/hr/Volunteer-Application-and-Confidentiality-Form.pdf> The instructions for the background check are at <https://docs.wcs.edu/pdf/hr/Volunteer-Background-Check.pdf>.

**After completing the Tier 3 process, what is the next step?** Approximately 2 weeks after completing the process, you can check with your Principal, or designated school employee, to be sure you are on the approved list. You will NOT hear from WCS if you are approved. Once you have confirmed that you are approved, check with your school for dates and times for Tier 3 badges to be made. The badge is free of charge unless you need a replacement badge. There is a \$5 fee for a second badge if you lose the first.

## **BOARD ELECTIONS/TRANSITION:**

**What is the process for new board elections each year?** Follow your bylaws as to how your nominations and elections should take place. Typically, a nominating committee is put in place and the members of that committee should put the word out to the general membership about positions available and job descriptions. The advertisement of positions should be done as early as January, so that nominations are in place by March, and elections can take place in April/May.

**What if new board elections cannot take place in person due to school closure?** In the rare event that school is closed prior to board elections, elections should still keep in line with the SSO's bylaws, but can be done electronically. If a SSO uses Membership Toolkit, you can utilize it to connect with your general membership and take a vote. The principal can also do a call out vote, or a google document or Survey Monkey

can be emailed out to your general membership for voting. It is important to save all documentation of procedures and votes.

**Our school year is ending, and our new Board will be taking over. Is there a specific time that the new Board takes over?** It is recommended that the Board transition follows the fiscal year (July 1<sup>st</sup> – June 30<sup>th</sup>). However, it is greatly encouraged that the new Board work with the old Board from April (or May) until the fiscal year ends. After July 1<sup>st</sup>, the new Board members should change over the bank information to the new signature holders as quickly as possible. Your bank will require the minutes from your last meeting listing the new officers. Please note that a year-end financial statement is also due to Leslie Holman ([leslieh@wcs.edu](mailto:leslieh@wcs.edu)) by July 31<sup>st</sup> every year.

**Do you have any tips for making the transition from year to year easier?** It is recommended that each officer have a binder of information to pass along each year. This binder should include a copy of the bylaws, and any instructions relating to the position. The SSO Bylaws and Policies and Procedures (if applicable) should be reviewed each year by the outgoing and incoming Board to see if any changes need to be made.

## **FINANCIALS:**

**Do we need to create a budget every year?** Yes. It is important to have a working budget, so that your Board will know what expenses are expected and where extra funds can be spent. For example, insurance must be renewed every year, so insurance costs must be budgeted. It also helps provide a guideline so that funds are not over spent in one area over another. It is encouraged that you keep a reserve amount in your budget each year just in case you have unexpected expenses. Your Principal should be involved in this process, as they will know where funds might be needed over the course of the year. Your Principal **cannot** dictate exactly how much or where funds are spent. That is decided by a quorum of the SSO Board as specified by your organization's bylaws.

**Can a SSO use Debit Cards for Payments?** No. Using debit cards for payment for expenditures is not acceptable. It strictly states that for disbursements, pre-numbered bank checks should be used that require two signatures.

**Can a SSO to accept credit and debit card payments?** Yes. It is acceptable for a SSO to accept debit or credit cards for membership dues, spirit wear, events, etc. The SSO is responsible for all transaction and bank fees associated with accepting credit and debit cards. You can do this through your bank, PayPal, or other institutions, such as Square.com.

**Can the SSO write a check to the school for items being purchased through the school?** Yes. Often it is better for the school to order items that the SSO is purchasing or helping to purchase. Your Treasurer needs to write the check made out to the school, and include a letter stipulating where the funds are to be spent (a restricted letter). For example, if your SSO is spending \$5,000 for additional books for the library, the letter would state that the SSO is donating \$5,000 for the purchase of library books. The school bookkeeper would keep the letter for their records, and will always give a receipt to the SSO. Be sure and get that receipt and keep it with your financial records. A school cannot write a check to the SSO, so if you are purchasing something together, it must go through the school account.

**How do SSOs handle funds leftover from a restricted donation?** If a restricted donation is received and there is a small balance remaining or funds that have not been used from the original purpose, a board vote is required for reallocation along with a new restricted letter explaining how the funds are to be reallocated.

Practice Tip: Think ahead when you're making the fundraiser request about where any leftover money will go. If you get pre-approval on the front end, it will save work later.

**Can SSO purchases be shipped directly to the school?** Yes, as long as the items have been paid for in full. A copy of the receipt must be given to administration or the school bookkeeper. Any items not paid in full will not be accepted for delivery at the school.

## **BOOSTER CLUBS:**

**Our Athletic and Band Boosters would like to create separate clubs. Is that OK and how do we do that?** Yes, it is definitely OK to have separate Athletic and Band Booster or Fine Arts Clubs. There are really two different options:

- 1) The booster club can be under the umbrella of the PTO and not their own separate organization. In this choice, the SSO's tax-exempt status, sales tax exemption, insurance – everything that the SSO carries – governs all the efforts of the PTO, including the sports, band, or arts programs that the SSO chooses to directly support. They are subject to all the Bylaws, Policies and Procedures of the SSO, and they must follow the same WCS requirements and policies as the SSO of which they are a part. Such a committee could adopt their own rules if the SSO allows it, as long as their committee rules do not conflict with the SSO Bylaws and Policies & Procedures. Any such rules should be reviewed and approved by the Executive Board of the SSO to ensure compliance. The athletic, band or fine arts groups should be called “committees” (not booster clubs), and have “committee chairs” (not officers) so as not to imply they are a separate legal organization. The committees should be named with the SSO name first followed by the committee name (Example: Independence High PTSO – Fine Arts Committee). Each committee can have its own bank account, with two signatures required on each check, with the Treasurer of the SSO having signature authority. They must submit monthly/quarterly (as defined by the Bylaws or Policies and Procedures) detailed financial statements to the SSO, as well as a statement at the end of the fiscal year. The Chair of each committee should attend the SSO's Executive Board Meetings and may be considered a member of the Executive Board.
- 2) Booster Clubs can be completely separate from the SSO, but they must follow the same Federal and Tennessee state laws and Board Policies as any SSO. They must be an approved, separate SSO by WCS. They must have a charter with the State of TN, and it is recommended that they get their own Federal Tax ID number and become 501(c)(3) approved. They must carry their own insurance and have their own Bylaws and Policies & Procedures in order to be a completely separate legal entity from the SSO.

**Can a SSO be a charter for the Boy or Girl Scouts?** A SSO charter with the Secretary of State is exclusively focused to financially support the specific school as a “Student Support Organization” under Tennessee Law. Scouts provides a valuable service for children, but it's a service that's outside the narrow scope of a SSO's service to a school. Therefore, a SSO should NOT be a charter for the scouts. It is suggested that the Scouts seek out another local non-profit with a broader mission than the SSOs. Examples are local churches, community non-profits such as Kiwanis, Rotary, etc.

## **FUNDRAISING:**

**Our SSO has decided to hold a fundraiser at our school. What do we need to do in order to have this fundraiser?** You must file a fundraiser request form anytime you are raising funds for your SSO. This form is available at <https://docs.wcs.edu/pdf/schools/pto/Fundraiser-2021.pdf> If you are holding your fundraiser on school grounds, you must also file a facilities request form (<https://docs.wcs.edu/pdf/facilities/Community-Request-Form.pdf>). Your proof of insurance must be on file with Lenny Ramirez (listing WCS as an additional insured and certificate holder). All forms must be submitted at least 2 weeks in advance of the event.

### **What is the difference between an active vs passive fundraiser?**

If you hold an assembly or use classroom instruction time during a fundraiser, it goes from being passive to active. Example of active fundraisers include a fun run held during the school day, a book fair during school hours and Picture Day. A passive fundraiser is any fundraiser held before or after school. You are limited each year to the number of active fundraisers. Elementary Schools are allowed four active fundraisers per year and middle school and high school are allowed five.

**Are there any Fundraisers that are unacceptable to engage in?** If you are having a Silent Auction and have items containing alcohol as bidding items, the alcohol must be kept off campus, and you can only include a picture of the item at the auction. For example, if you have a wine and cheese basket, a picture of the wine bottles would be placed in the basket, and the bottles of wine would remain off campus. As a general rule, fundraisers that are generated for a specific purpose (such as technology, library books, playground equipment) tend to incur more community support. Spirit nights at local restaurants are fine, but cannot be promoted on the school website. They can be promoted through the SSO's newsletters, Facebook, Twitter or SSO website.

### **Is it OK for an SSO to have a raffle?**

Raffles can be done, but consideration for doing a raffle is best when limited to a large donor (ex. car dealership). Doing raffles takes a lot of planning since they must be approved by the Tennessee General Assembly, and approval must be done a year in advance. Votes for approval are done July 31-January 1 each year for raffles taking place between July 1-June 30. In order to be considered for approval, the SSO has to have been a 501(c)(3) for 5 years, must have an event date, and must pay a \$50 filing fee plus an additional fee up to \$550 based on revenue. The following links provide more detailed information:  
<https://sos.tn.gov/products/charitable-solicitations-and-gaming/charitable-gaming-faqs>;  
<https://sos.tn.gov/products/charitable-solicitations-and-gaming/who-can-hold-raffle>.

### **Can a SSO host a Casino Night?**

Casino nights and games are permitted, only if no real money is involved.

### **Are Direct Marketing Fundraisers allowed for SSOs?**

It is also recommended that you refrain from direct marketing company fundraisers. Should a parent want to donate funds to the school or PTO while hosting a "show" they are more than welcome to make a donation, but the PTO or SSO should not advertise or promote it.

**Can a SSO sell reserved seating for events and silent auctions?** WCS has limited its approval of fundraisers with reserved seating to football stadium chair back areas. WCS does not approve fundraisers that involve reserved seating in theaters, gymnasiums, other indoor venues, and does not allow fundraisers that include reservations for vehicles in parking lots, car lines, etc.

**What types of Inflatables are approved for use?** Williamson County Risk Management has approved the Mechanical Bull, Gladiator Joust, Bungee Run and 38' obstacle course for use on WCS campuses, with the following caveat: the provider must include WCS as an additional insured. It would be wise for PTOs to get the same protection as an additional insured from the company providing the equipment or, at the least, speak with your insurance agents to make sure you have reasonable coverage for liability if you're using inflatables at an event. The basic concern of Risk Management is the inflatables that include steps that take children off the ground and the possibility of power going out causing quick deflation and resulting in a fall. Typically, these are the inflatable slides. Risk Management has prohibited use of this type of inflatables at any WCS event.

## **INCENTIVES/GIFTS:**

**Can a SSO fund items such as Teacher and Student Morale/Incentives to the school?** Yes. Any expense that your board approves and is listed and was voted on in your operating budget is acceptable to be given to your school. Your check written to your school should be accompanied with a restricted letter detailing what the funds are meant for. The suggestion is to be broad in what the funds can be used for unless you are writing a check for the purchase of a specific item. For instance, if you are donating funds for the year for student morale/incentives, you might state, "These funds are for student morale, incentives and PBIS programs for the 2019-20 school year." You might write a check for the entire year or just per nine-week period. It is up to your board to determine the payment schedule.

**Can a SSO purchase gift cards?** Because PTOs are subject to state audit, we discourage the purchase of gift cards with PTO funds to buy PTO supplies. There are other ways to achieve the same purpose without the accounting risk. Examples include making the purchases directly from a PTO account and donating the items to the school or making a restricted gift to the school for the intended purpose.

Purchasing gift cards for PBIS or for teacher morale is OK to do.

**Are there recommendations for teacher gifts?** During the year, many parents want to give a gift to their teacher, for holidays, birthdays, or as a thank you. If a parent wants to give a personal gift of a gift card to a teacher, that should be done outside the PTO and school. In such a case, it's not an accounting or legal issue for either the school or the PTO.

Over the years, there have been concerns from PTO leaders who have fielded complaints or questions from parents asking about what a room parent did with their money that was collected for a teacher gift. Most room parents are not PTO representatives, but many parents often believe that a room parent is collecting funds for the PTO. To address this, we first encourage room parents to suggest to parents that they just give a gift directly to the teacher, as described in the paragraph above. However, if a room parent insists that they want to collect for a teacher, they should clearly disclose that they are not doing it for the PTO and the money is not collected for the PTO. You may also choose to send an email or notice to your families on your website that the PTO will not be collecting holiday or personal gifts for individual teachers as a PTO but that you encourage parents to give them directly to teachers if they choose.

**Additional questions?** Please e-mail [ptoleadership@gmail.com](mailto:ptoleadership@gmail.com).