

FOREST HILLS PUBLIC SCHOOLS

PTO/Booster Group Manual

Guidance & Best Practices

Last Updated: 2/27/2019

For use by PTO, Boosters, and Parent Volunteer Groups

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Forming a PTO/Booster Group

Interested parties should submit a formal application to the school's Principal or Athletic Director with an endorsement by a coach, teacher, or other faculty member of the school. The normal process for organizing a PTO/booster group is as follows:

1. PTO/booster group is formed (pending application approval)
2. Develop Articles of Organization
3. Apply for Non-profit Status 501(c)(3)
4. Develop Organization Bylaws
5. Establish a Bank Account
6. Develop Internal Controls

Each PTO/booster group should elect or appoint officers, including a President, Treasurer (assistant treasurer if needed), and a Secretary. If elected officers are employed by the district, nature of employment cannot have direct interest in the purpose and intent of the parent group. For instance, a band director cannot hold a seat on the band booster board. Term lengths should be at a minimum one year, two if training of new board is needed. If achievable, it is advised that the group appoint two Treasurers with alternating terms. This will allow for the training of a new Treasurer by an existing Treasurer. Details on leadership must be listed on initial application. Prior to the start of each year, groups must submit the renewal form to the applicable Principal or Athletic Director requesting continued authorization to operate under the Forest Hills Public Schools PTO & Booster Council umbrella. Please see graphic below illustrating the annual process required of all parent groups.

Annual requirements of an organization:

1. Annual renewal of organization
2. Board adoption of budget
3. Collaboration with district administration
4. Establish goals and objectives
5. Finalize budget for following year

Repeat...



Developing Articles of Organization

After formal application for organization has been accepted, reviewed, and approved by the school and district, Wendy Parr Holtvluwer, attorney at Miller Johnson Law, will assist the group with creating Articles of Organization. Wendy Parr Holtvluwer will also assist in filing for a TIN (Tax Identification Number assigned by the IRS to identify taxpayers who are required to file various business tax returns).

Wendy Parr Holtvluwer
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holtvluwerw@millerjohnson.com

Applying for Non-profit Status 501(c)(3)

The District has a group exemption, acting as the umbrella organization. PTO/booster groups are required to send a letter, prepared by Wendy Parr Holtvluwer, to authorize the District to include the group as a subordinate organization of the group exemption and sign a Policy Statement for Subordinates to be Included in the Group Exemption form (also prepared by Wendy Parr Holtvluwer). Each September the District sends the IRS a new subordinate listing with groups to be added/removed.

Actions that Jeopardize Tax-Exempt Status for Donations:

1. Problem: Crew Boosters sell a boat to a board member at a 25% discount. Solution: Sell the boat at fair market value.
2. Problem: Band Boosters buy musical instrument for individual band students to keep as their own. Solution: Booster group keeps the instrument and allows future students to use it.
3. Problem: Parent donates money to the booster group on the condition that their child gets to participate in a trip. Solution: Board has the ultimate authority on where to spend the funds, and may take into consideration the parents' wishes when the donation is received. In order to get a tax deduction, there must not be strings attached to benefit any certain individual.

Developing Organization Bylaws

A PTO/booster group's bylaws provide the rules for how the organization operates, including how often meetings are held, the organization's fiscal year, organizational structure, and the methods used to elect officers. These would also include responsibilities of members who hold leadership including financial and reporting requirements. Wendy Parr Holtvluwer will assist in the creation of bylaws.

Establishing the Bank Account

PTO/booster groups are to set up their own account(s) as soon as they have their TIN. The appointed or elected treasurer should ensure that funds are safeguarded in an FDIC-insured bank account. Funds raised for a designated purpose may be maintained in a separate bank account. The District does not provide guidance as to which bank the group uses, however, highly encourages use of an interest-bearing bank account with the highest possible yield. Two to four board members should have check signing authority. Those individuals should not prepare bank reconciliations.

Developing Internal Controls

Internal Financial Controls should be set up along with leadership. The attached Financial Management Guidelines (Appendix B) should be followed as it pertains to internal controls as a template, although a more robust list of internal controls is encouraged.

For example, check signers should ensure that all disbursements are properly authorized and have adequate documentation (invoice, contract, receipt). Check signers should not prepare bank reconciliations.

Written procedures regarding who has access to the bank account and who can sign checks should also be maintained by each group. These should be updated each year after the new board is elected.

Annual Meeting – PTO & Booster Council

The district requires a representative from each group attend the annual parent group meeting. Meetings are held in the fall each year and cover new and emerging topics relevant to the district's parent groups. This is an opportunity for district administration to communicate the implementation of any changes in its partnership with parent groups. In addition, this meeting provides a forum for our groups' existing and newly elected officers to discuss any issues or concerns that have surfaced throughout the year.

Preparing a Budget

A detailed chart of accounts should be maintained for the purpose of adequately identifying the source of all revenue and expenses. This chart of accounts and the related balances are the basis for all financial reporting.

The PTO/booster group governing board should then develop an annual budget for the following school year, July 1st to June 30th of the following year. The budget should reflect established goals and should be developed in collaboration with the building Principal or Athletic Director. The budget must be approved annually—first via review with the building Principal or Athletic Director followed by both the board and the general membership approval. All fundraising goals for the year should be established by this time. The budget must be prepared in sufficient detail (using the chart of accounts) to track separate fundraisers and projects. Approval for deviations from budget should be developed with internal controls.

PTO/booster groups should keep a fund balance equal to 5-10% of annual expenses. A fund balance greater than 10% is allowed when raising funds for a large expense (band uniforms or playground equipment for example).

It is the policy of the Forest Hills PTO & Booster Council and all subordinate groups to maintain fund balances that do not exceed the immediate and/or annual needs of the groups. In an effort to ensure that donations are used for the particular purpose (and group of students) initially intended, these funds should be spent on an annual basis. In the spirit of this policy, the following rules apply to each group:

1. PTO/booster groups shall not accumulate large fund balances. Only sufficient funds that can reasonably be spent for the benefit of Forest Hills Public Schools' students within the current or following school year shall be maintained.
2. If a PTO/booster wishes to accumulate funds for a longer period of time (i.e., for a large future purchase), it must obtain permission from the Forest Hills PTO & Boosters Council and explain their plan, which must include a timeline, for those accumulated funds.
3. In the event that the Forest Hills PTO & Boosters Council determines that a PTO/booster group is maintaining excess funds, the group must immediately work together with the Forest Hills PTO & Boosters Council to determine and implement an appropriate spend-down plan for the excess funds.

	2017-2018 Budget	2018-2019 Budget
Revenue		
Carnival	10,000	12,000
Cookie Dough Sales	2,000	1,750
Participation Fees	4,000	3,800
<i>Revenue set-aside</i>	<i>5,000</i>	-
Total Revenue	21,000	17,550
Expenses		
Carnival	7,000	8,000
Cookie Dough	900	750
Classroom Grants	5,000	5,000
Grade Level Field Trips	3,100	3,800
<i>Prior year set-aside</i>	-	<i>5,000</i>
Total Expenses	16,000	22,550
<i>Intra-year Carryover</i>	<i>5,000</i>	<i>(5,000)</i>

Fundraising Events

The District does allow fundraising events for the raising of PTO funds to meet established budget goals. Some basic guidelines for fundraising events include the following:

- The allocation of fundraising dollars must be done objectively based on established criteria, avoiding potential for private benefit, in order to ensure funds donated remain tax deductible.
- Two people should count cash from fundraisers immediately after an event.
- Both persons counting should sign the deposit ticket.
- It is preferred that school personnel do not handle PTO/booster group funds.
- It is preferred that proceeds from fundraisers be remitted by check.

- Presale of tickets to events, such as a carnival, is recommended to minimize the amount of cash that changes hands.
- Advertising must be pre-approved by the building Principal or Athletic Director.

Unintended Impact

From time to time, purchases by parent groups have an unintended financial impact on other district resources. An example of such an event is the purchase of equipment that requires installation or ongoing maintenance. All costs, current and future, associated with the project, including materials, installation, and other related services, will be the responsibility of the parent group, unless otherwise agreed upon with the applicable Principal or Athletic Director.

Record Keeping

Excellent record keeping is the first pillar of a successful PTO/booster group. Records are passed from officer to officer after elections take place, and keeping clean, detailed records makes the transition much easier for both the Treasurer and the group as a whole.

The Treasurer is responsible for keeping records in sufficient detail to provide an audit trail of all disbursements, as well as separate receipt results for each event, fundraiser, or program. Good record keeping is set up with internal controls.

The bank account should be reconciled monthly to disbursements and receipts. A monthly comparison of actual results against budget is also required, with the board and/or members approving discrepancies.

Record keeping has also been broken down into more comprehensive lists in the sections below (Receipts and Disbursements Management and Procedures).

Submitting Tax Forms

PTO/booster groups are expected to submit three different tax forms:

1. Form 990 Tax Return
2. Form 1099-MISC and Form 1096
3. Sales Tax

Form 990 Tax Return

Form 990 is a tax return for non-profit tax-exempt organizations that provides the IRS with information on the organization's mission, programs, and finances. Forest Hills Public Schools district files one 990 return for the entire umbrella organization, therefore, groups need to submit their 990 to the district Business Office for processing (Appendix C). In December, the group will receive a cover letter, current year 990 Financial Summary Form, and a copy of the previous year's 990 Financial Summary Form. The beginning balance (ending balance from previous year) is filled in on all current forms. Groups complete forms between January 1st and mid-February and return them to the Business Office with a copy of the

group's December bank statement. The 990 is due to the Business Office NO LATER THAN February 15th or the following Monday if the 15th falls on a weekend.

Form 1096 and 1099-MISC

Form 1099-MISC, Miscellaneous Income, is required to be sent to individuals who provide services to the group and are paid \$600 or more over the course of a calendar year. Form 1096 is the IRS Remittal Form that needs to accompany the IRS's copies of Form 1099-MISC. Groups are responsible for filing their own returns. These are due January 31st.

Form 1099-MISC for the State are included with the Sales, Use and Withholding Taxes Annual Return. If a group needs to file 1099-MISC forms with the State but does not file a sales tax return, a cover letter can be written to accompany the State's copies of the 1099-MISC forms.

Sales Tax Returns

Tax –exempt organizations are not exempt from sales tax. Groups are responsible for filing their own sales tax returns. Sales tax returns are due with the Michigan Department of Treasury by February 28th. Sales tax must be collected and remitted for all revenue resulting from sales of tangible assets. This includes:

- Product sales (e.g. Sally Foster, sweatshirts)
- Directories
- Food sold for immediate consumption (e.g. Carnival)

Sales tax does not need to be collected or remitted for sales of intangible assets and certain other items such as:

- Engraved bricks (purchasers receive no tangible property)
- Gift certificates (Scrip)
- Food sold for home consumption

Sales Tax

General Rules:

- Sales to schools for use or consumption by the school are not taxable.
- Sales of athletic equipment to schools for use or consumption by school are not taxable.
- Sales of lunchroom food to students are not taxable if lunchroom is operated by school for the use of students (but sales of lunchroom food to teachers or other outsiders is taxable).
- Sales of class rings, pins, and similar articles are taxable at time students purchase them.
- Book store sales are taxable for items that are not otherwise exempt.
- Sales of textbooks to students are not taxable.
- Sales of yearbooks to students are taxable. School should claim resale exemption when it purchases the books to avoid double-taxation.
- Sales to PTA's, PTO's or employees are taxable.

Sales of Food items:

- All food sales at a concession stand are taxable as they are considered for immediate consumption.
- Sales to students as part of a lunch program are tax-exempt (however tax would apply to teachers and non-students).
- Sales of candy as part of a fundraiser are not taxable if not sold for immediate consumption, but concession stand sales are deemed for immediate consumption.

Sales tax informative fact scenarios are located in Appendix F.

Meeting Minutes

Groups are required to take meeting minutes for board or general meetings. The Secretary is typically assigned this function. Areas that are included in the minutes are:

- Meeting title
- Meeting date, time, and location
- Attendees
- Officer's reports
- Motions or topics for discussion
- Announcements
- Signature of Secretary or person assigned to take minutes

Minutes should be recorded at every meeting, formal or informal, and kept for at least two fiscal years.

Minutes should be made available to all members of a parent group with the building Principal or Athletic Director copied on any communication. Minutes from the required annual meeting where new officers are elected need to be returned to the District with the Annual Renewal Form.

Insurance

The District's insurance coverage does provide some coverage for PTO/booster groups. Included in the coverage would be liability coverage for affiliated groups such as PTO's, boosters (band/athletic), and parent volunteer groups (after graduation party committees). Liability coverage protects groups from a third party lawsuit alleging negligence that resulted in bodily injury or property damage.

What is not covered is any property groups may own, and crime/fidelity for the handling of money. Finally, there is no Errors & Omissions coverage afforded to these affiliated organizations. Sometimes since they have Boards made up of volunteers, they inquire about it. If this is the case, the District's carrier has the ability to write a stand-alone E&O policy for these types of organizations at a nominal price (\$750-\$900 annually).

Facility Use

Groups may use Forest Hills Public Schools' facilities for meetings/events for a rental fee. Available at www.fhps.net/operations/facilities-use/ are requirements and forms that need to be filled out and returned to the Operations office. For questions on Facility Use, please contact Laura Bodien at (616)493-8780 x33472.

Financial Statements and Reporting

All groups must complete monthly financial reporting and an annual financial statement. Specifics on each topic are detailed below.

Financial Reporting

Detailed, well-written financial reports should be prepared monthly. They should be formatted to include beginning cash, incoming receipts, outgoing disbursements, and ending cash. A summary of assets should be included along with the location of the assets. The financial reports should reconcile to the bank statement and show, in detail, the sources of all income and expenses. The financial reports should be reported out to the Board and made available at every Board and General meeting. Records should be kept on a school year basis (July 1st through June 30th), but calendar year (January 1st through December 31st) reporting is required for IRS reporting purposes (see Form 990 Tax Return on pg. 9)

Annual Financial Statement

Completing the 990 form at calendar year end is one kind of annual financial statement that is required. Another is an annual statement that needs to be presented to the District and membership detailing all activity for the year. Before the presentation, an annual review/audit of financial records should be conducted externally by an independent CPA.

Receipt Management and Procedures

During the development of internal controls the PTO/booster group is advised to use a set of receipt management procedures to ensure the safeguarding of funds. The following is a list of procedures and practices that all groups should adopt as a base. The group is welcome to develop a more robust system of receipt management, although slimming down the list provided is not advised.

- Two adults should count cash from fundraisers immediately after an event.
- Both persons counting should sign the deposit ticket.
- It is preferred that school personnel do not handle parent group funds.
- Encourage the use of checks instead of cash. Ask that proceeds from fundraisers be remitted by check.
- Pre-sell tickets to events such as carnivals to minimize the amount of cash that changes hands during the event.
- Each check to be deposited should be listed separately on the deposit ticket.
- The total of each deposit ticket should be double checked. If deposits are made by committee members, ensure that the treasurer gets a duplicate (carbon) or photocopy of the deposit ticket, signed by the preparer(s).
- Separate deposit tickets should be used for different fundraisers.
- Deposits should be adequately safeguarded (locked) if they can't go to the bank immediately. Large deposits (in excess of \$500) should be made daily.
- Validated deposit ticket/receipt from the bank should be forwarded to the treasurer.
- All receipts should be properly allocated and categorized into the proper line item for financial reporting.
- Funds should never be deposited into a personal account.

- No individual should ever realize personal gain from funds raised by a parent organization.

Disbursement Management and Procedures

Similar to receipt management, disbursement management and procedures should be developed with other internal controls. Disbursement procedures for check writing are important for groups to protect themselves against internal fraudulent activities. Again, the list below is a base. The group is allowed and encouraged to expand procedures if necessary, but is advised not to do less than the list below.

- All checks should be imprinted with sequential numbers.
- All checks must be accounted for, including voided checks.
- Under no circumstances should an individual write a check to themselves.
- An authorized signer should prepare the check.
- Proper documentation must be maintained for all checks (invoice, receipt, contract, etc.).
- Checks should be signed by two authorized signers.
- Never issue blank checks with signatures.
- Each check should be authorized: If the related expenditure is separately identified in the approved budget, it is considered authorized; If the related expenditure is related to a specific fundraiser or program, the appropriate committee chairperson should authorize it.
- All expenditures should be properly allocated and categorized into the proper line item for financial reporting.

Bank Reconciliations

One board member (who does not sign checks) should prepare the bank reconciliation each month. The PTO/booster group governing board should assign one board member (who does not sign checks) to review the bank reconciliation each month.

Treasury Function

There are many sections that should default to the Treasurer when it comes to financial reporting, statements, and reconciliations. See Appendix B for details. To compile these all together, the treasurer's responsibilities should include:

- Preparation of monthly financial statements
- Monthly comparison of actual results against budget.
- Record keeping in sufficient detail to provide an audit trail of all disbursements, as well as separate results for each event, fundraiser, program, etc.
- The treasurer should ensure funds are safeguarded in an FDIC-insured bank account, (preferably interest-bearing). Funds raised for a designated purpose may be maintained in a separate bank account.
- The parent group governing board should authorize two to four board members as check signers. These individuals should not prepare the bank reconciliations.
- The parent group governing board should assign one board member (who does not sign checks) to review the bank reconciliation each month.

Raffles

If you are charging people or requiring them to donate or provide something of value to participate in a drawing where a prize will be awarded, then you are conducting a raffle. This includes 50-50 drawings and door prizes. **Individuals under 18 cannot sell raffle tickets.** Raffle licenses can be obtained by the Michigan Charitable Gaming Division. There is a filing fee depending on the size of the raffle's prize. Contact Jodi Martinie if you are unsure if your raffle requires a license or not.

Employees and Consultants

If any group employs an individual, the group is required to issue them a W-2 at the end of the calendar year. A 1099 form is required for groups paying over \$600 for consultants such as bookkeepers, software specialists, coaches, referees, or clinicians.

Donations and Gifts

The Board of Education is duly appreciative of public interest in and good will toward the schools manifested through gifts, grants, and bequests. The Board reserves the right, however, to specify the manner in which gifts are made; to define the type of gift, grant, or bequest which it considers appropriate; and to reject those which it deems inappropriate or unsuitable (Appendix E). If accepted, the Board will attempt to carry out the wishes of the donor.

All gifts, grants, or bequests having a value of more than \$150 shall be made in proper form to the Board. Such gifts, grants, and bequests shall become the property of the Board and will be subject to use by the District as determined by the policies and administrative guidelines applying to all properties, equipment, materials, and funds owned by the Board.

Offer of Gift to School District form (Appendix D) should be completed for all cash and/or in-kind contributions given to the District.

If the parent group receives a donation or gift, receipts must be provided for any donation valued \$250 or over. The following phrases (or something similar) should be included on the receipt:

1. (Your organization name) is a nonprofit organization pursuant to Section 501(c)(3) of the Internal Revenue code.
2. No goods or services were provided in exchange for this gift.
3. Contributions are tax deductible as permitted by law.

Annual Due Dates

- 1099-MISC Forms – January 31st for vendors and IRS copies
- Form 1096 – January 31st
- Form 990 Financial Summary Form – February 15th
- Michigan Annual Sales, Use, and Withholding Tax Return – February 28th
- 1099-MISC Forms – February 28th for State of Michigan copies
- Parent Group Renewal Form – June 30th

Appendix A: Treasury Functions

Forest Hills Public Schools PTO Financial Management

Division of Treasury Roles by Type of Function		updated: 05-07-2014
<p><u>Authorization/Approval</u></p> <p>Examples:</p> <p>Approving annual PTO Budget</p> <p>Approving the budget overages < \$500 (or designated \$\$ amount)</p> <p>Approving the budget overages > \$500 (or designated \$\$ amount)</p> <p>Approving Bank Reconciliations</p> <p>Approving Invoices for payment and/or Approving PO's (If coordinating with the district system)</p>	<p><u>Assign To:</u></p> <p>Full board plus general membership</p> <p>Board member not more than one other quadrant on chart</p> <p>Full board plus general membership</p> <p>Board member not in other quadrants on chart</p> <p>Committee chairperson or board member responsible for project unless item is clearly segregated in the approved budget and does not cause a budget overage</p>	<p><u>Record Keeping:</u></p> <p>Examples:</p> <p>Recording Budget after approval of board</p> <p>Recording checks as activity against budget line items</p> <p>Recording Deposits</p> <p>Preparing Financial Statements & Compiling 990 data</p> <p>Preparing Budget against Actual results comparison</p>
<p><u>Custody: (Any Access to PTO funds-incoming or outgoing)</u></p> <p>Examples:</p> <p>Writing Checks</p> <p>Check Signer (assumes two signatures on checks > \$ _____)</p> <p>Cash boxes/Change Fund for large fundraisers (like carnivals)</p> <p>Handling/distributing outgoing checks</p> <p>Petty Cash custodian</p> <p>Cash Deposits (counting/preparing deposit ticket/transporting to bank)</p> <p>Receiving (signing for receipt of) goods or services</p>	<p><u>Assign To:</u></p> <p>Asst. Treasurer (President as backup)</p> <p>President & Asst. Treasurer (plus additional alternate board member? ?)</p> <p>Asst. Treasurer</p> <p>President & Asst. Treasurer (plus additional alternate board member? ?)</p> <p>?? if needed... Board member not in more than one other quadrant on chart</p> <p>Two individuals not in other quadrants on chart</p> <p>-Many rotate several groups on large projects</p> <p>Committee chairperson or board member responsible for project</p>	<p><u>Assign to: Treasurer</u></p> <p>Reconciliations:</p> <p>Examples:</p> <p>Reconciling cash per the bank statement to the balance on the prepared financial statements.</p> <p>-This includes verifying deposit activity against the signed deposit tickets and check activity against approved vouchers.</p>

Note: Individuals may be assigned to a maximum of two quadrants for the given school year

Appendix B: 990 Financial Summary Form

Forest Hills PTO & Booster's Council - 990 Financial Summary Form

Please complete the following form by filling in all boxes. If you have no dollar figure for a particular box, please enter "0".

Information you provide should be for the fiscal year beginning January 1, 2018 and ending December 31, 2018.

Organization Name _____

Taxpayer ID# _____

NOTE:

Please attach a photocopy of December 2018 bank statements for any bank accounts held by your organization.

Please attach a photocopy of Form 1096 and all 1099-MISC forms issued.

Please keep a copy of this worksheet for your records.

Forest Hills PTO & Booster's Council - 990 Financial Summary Form

1. Cash and investments as of January 1, 2017
(Balances must equal prior year ending balances)

Non-interest bearing
Interest bearing
Total Cash & Investments

A

REVENUE (RECEIPTS):

2. Direct public support - Total contributions and gifts received
3. Gross revenue from special events - Enter all receipts for fundraising events (Do not include contributions or gaming in this total)
4. Gross revenue from gaming

page 3

page 4

page 5

5. Other revenue:

Detail any additional money you received during the year:

a	Interest income
b	
c	
d	
e	

Add lines a-e and enter the total here.

6. Total revenue (add lines 2, 3, 4, & 5)

B

EXPENSES (PAYMENTS):

7. Program services
How much did you spend in support of the school or organization you were formed to support?
8. Management and general
How much did you spend on filing fees, accounting fees, costs of meetings and any other cost not identified in lines 6 or 8.
9. Fundraising
How much did you spend on fundraising events?
10. Gaming
How much did you spend on gaming activities?

page 6

page 6

page 4

page 5

11. Total expenditures (add lines 7, 8, 9, & 10)

C

12. Cash and total investments as of December 31, 2017

Non-interest bearing
Interest bearing
Total Cash & Investments

D

(A+B-C=D)

Please remember the above information should include all money you took in and paid out during the course of the year.

Forest Hills PTO & Booster's Council - 990 Financial Summary Form

Direct Public Support (Page 2, line 2)

1. List each gift/contribution of \$2,000 or greater received during the year.

	Contributor's name and address	Amount	Date Received	Cash (C) or In-Kind (IK)
a				
b				
c				
d				
e				
f				
g				
h				
i				
j				

2. List total contributions not included above

a	Various others		Various	Cash
b	Various others		Various	In-Kind

Total Contributions and gifts received

Pg 2, line 2

Notes: Include both cash contributions and in-kind contributions.

Include in-kind (non-cash) contributions at the estimated fair market value. A non-cash contribution should result in a non-cash expense for the same amount.

The total contributions and gifts received must agree with the amount on page 2, line 2.

Non-cash contributions will result in an equal and offsetting expense entry.

Forest Hills PTO & Booster's Council - 990 Financial Summary Form

Fundraising - Special Events EXCLUDING GAMING ACTIVITIES (Page 2, Lines 3 & 9)

	(a)	(b)	(c)	(d)	(e)
Event: (Please list event name)	Gross receipts	Less: Contributions	Gross Revenue (a-b)	Less: Direct Expenses	Net Income (loss) (c-d)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
TOTAL					

include on page 3 Pg 2, line 3 Pg 2, line 9

Notes: The amount in the TOTAL row in column 'c' must agree with the amount on line 3 (page 2).

The amount in the TOTAL row in column 'd' must agree with the amount on line 9 (page 2)

Contributions detailed on column 'b' must also be included on the Direct Public Support schedule on page 3.

Forest Hills PTO & Booster's Council - 990 Financial Summary Form

Gaming Activities (Page 2, Lines 4 & 10)

	(a)	(b)	(c)	(d)	(e)	(f)
Event: (Please list event name)	Gross receipts	Less: Direct Expenses - Cash Prizes	Less: Direct Expenses - Non-cash Prizes	Less: Direct Expenses - Rent/Facility Costs	Less: Direct Expenses - Other	Total Direct Expenses (b+c+d+e)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
TOTAL						

Pg 2, line 4

Pg 2, line 10

NET INCOME (LOSS) (a-f)

Notes: The amounts in the Direct Expenses - Other column must specify what the expenses were for (i.e. Catering - \$175.00)

Do not include any of these revenue or expense items in any other category.

Forest Hills PTO & Booster's Council - 990 Financial Summary Form

Statement of Functional Expenses (Page 2, lines 7 & 8)

	a Management & General	b Program Service	c a + b Total
1. Scholarships & Grants (attach schedule)			
2. Compensation of Officers (attach schedule)			
3. Supplies			
4. Telephone			
5. Postage & Shipping			
6. Equipment Rent & Maintenance			
7. Printing & Publishing			
8. Travel			
9. Conferences, meeting			
10. Contracted Services			
11. Other (please list)			
a.			
b.			
c.			
d.			
TOTAL			

Pg 2, line 8

Pg 2, line 7

Notes: If your records do not account for this amount of detail, you may allocate the costs using a reasonable method. The method of determining the allocation of costs should be documented and maintained with the records of the organization.

You may not have amounts for each category. If that is the case, just enter zero (-0-).

Column 'a' total must agree with Management and general expenses on page 2, line 8.

Column 'b' total must agree with Program Services on page 2, line 7.

Forest Hills PTO & Booster's Council - 990 Financial Summary Form

Scholarships & Grants (Page 6, line 1)

Purpose	Recipient's name and address	Amount	Relationship	Cash (C) or In-Kind (IK)

TOTAL

Pg 6, line 1

Notes: For scholarships, include a statement as to how the organization determines who qualifies to receive payments.

For amounts (cash and non-cash) given to Forest Hills Public Schools, separate totals based on category (i.e. equipment for math-lab, office supplies, tutors, etc...)

For amounts gifted, please note if the gift was in the form of cash or non-cash (in-kind).

Total scholarships and grants must agree with page 6, line 1.

Forest Hills PTO & Booster's Council - 990 Financial Summary Form

Officers and Compensation (Page 6, line 2)

Name and address (list all officers)	Title	Compensation	Weekly Hours Worked	Voting Rights (Y/N)

TOTAL

Pg 6, line 2

Notes: Please include all officers for the 2017 year regardless if they received compensation or not and indicate if the officers have voting rights by filling in the last column.

Total must agree with total compensation of officers on page 6, line 2.

Forest Hills PTO & Booster's Council - 990 Financial Summary Form

PLEASE CHECK ONE:

_____ We have made no changes in our by-laws or other governing papers since the previous reporting period.

_____ We have included a signed copy of our current by-laws or other governing papers as revised/amended.

I, on behalf of the said organization, authorize the above information to be included in the reporting of the Forest Hills PTO & Booster's Council and declare, under penalty of perjury, that the information submitted herewith are true and complete.

Signature of Preparer

Type or print Preparer name

Complete address of Preparer

Daytime phone # of Preparer

Date form was completed

Please return a completed form by Thursday, February 15, 2018 to:

Forest Hills Public Schools
Attn: Jodi Martinie
6590 Cascade Road, SE
Grand Rapids, MI 49546

If you have questions, please contact Jodi Martinie at 493-8800, ext 4308 or by email at jmartinie@fhps.net.

Reminders:

Please attach a photocopy of December 2017 bank statements for any bank accounts held by your organization.

Please attach a photocopy of Form 1096 and all 1099-MISC forms issued.

Please keep a copy of this worksheet for your records.

Appendix C: Gift to District Form

FOREST HILLS PUBLIC SCHOOLS
6590 CASCADE ROAD SE
GRAND RAPIDS, MI 49546

OFFER OF GIFT TO SCHOOL DISTRICT

The following is offered as a gift to the Forest Hills Public Schools:

DONATED BY:

Name of Donor / Organization

Address

City / State / Zip code

Telephone:

DONATED TO:

School / Building

Department

ACCEPTED BY:

Name:
Building Administrator

DESCRIPTION:	PURPOSE / INTENDED USE:
*FAIR MARKET VALUE:	INSTALLATION / MAINTENANCE COSTS:
<i>*Forest Hills Public Schools takes no responsibility in estimating the fair market value of this gift for tax purposes.</i>	

This gift is offered with the knowledge that upon acceptance it becomes the property of the Forest Hills Public Schools and is subject to the same controls and regulations that govern the use of all school-owned property. It is also understood that the Board of Education may refuse at its discretion the acceptance of this gift.

Signature of Donor

Date

[PROPERTY/Gifts, Grants, Bequests 7230]
Revised 11/07

Accepted by Superintendent

Accepted by Board of Education

Date

Appendix D: Purchasing Scenarios

Donations to the District in some instances need to be approved prior to being purchased. All donated items must comply with the District's plans and comply with federal, state, and local laws as well as Board policy. Donations of this nature require consultation with applicable District Administrators.

Technology related items must be approved by the Director of Technology prior to being purchased. Items that involve renovating or upgrading the facility or adding a structure to the grounds must be approved by the Director of Operations prior to being purchased.

When items being donated have related service costs or on-going costs, such as maintenance agreements, the PTO/booster group is responsible for the on-going costs.

Scenarios that require consultation are below:

Scenario #1

A PTO/boosters group wishes to purchase a document camera for a classroom at the school. This purchase would need to be discussed with the Director of Technology to ensure the projector is compatible with the District's current technology and fits in with the District's technology plan. Additional costs could include wiring and installation, which would be the responsibility of the PTO/booster group as well.

Scenario #2

A PTO/booster group wishes to purchase a piece of playground equipment for the school. This purchase would need to be discussed with the Director of Operations to ensure the equipment is in compliance with ADA requirements and fits in with the District's plans for playgrounds. Additional costs would include delivery and installation, which would be the responsibility of the PTO/booster group as well as any warranty costs.

Appendix E: Sales Tax Informative Fact Scenarios

Non-profit entities engaged in retail sales of any kind are required to have a Sales Tax License, which must be filed with the Michigan Department of Treasury.

Sales of tangible personal property and services to qualified tax exempt entities for their own use and consumption, but not for resale, are exempt from sales tax.

These scenarios presume the parent or booster organization is a tax exempt entity.

Scenario #1

A PTO/booster group sells food, not for immediate consumption, but for consumption at the purchaser's home.

Result: Food sales for home consumption are not taxable.

Scenario #2

Company offers candy, mugs and wrapping paper to a parent or booster organization for fund raising purposes. The PTO/booster group solicits orders and submits its orders to Company. Company fills the orders and sends the merchandise to the fund raising organization for distribution.

Result: The PTO/booster group is acting as a representative of the company, and unless otherwise provided, the company is responsible for sales tax on the gross proceeds from the sale of candy for immediate consumption, the sale of mugs and the sale of wrapping paper.

Scenario #3

A PTO/booster group purchases merchandise by the case. After making fund raising sales to the general public, the organization may return any unopened cases for credit or refund.

Result: In this situation, the organization purchasing the goods from the company is deemed to be purchased for resale. Therefore, sales made by the fund raising organization are retail sales subject to sales tax. (To place sales tax responsibility on the selling company, a parent or booster organization must include on the purchase documents its sales tax number and the statement "For Resale at Retail.")

Scenario #4

A PTO/booster group organizes and operates a bazaar, garage sale, etc. as a fund raiser.

Result: Retail sales of new or used tangible personal property are subject to Michigan sales tax. (This also includes direct sales for wrapping paper, bows, mugs, books, flowers, and stationery.)

Scenario #5

A PTO/booster group sells coupon books or discount cards and donated certificates from local merchants.

Result: There is no sales tax due on donated discount coupons from merchants. (Not tangible personal property.)

Scenario #6

A PTO/booster group organizes a walk-a-thon or swim-a-thon in which donations are collected.

Result: The PTO/booster group is not responsible for sales tax on the donations made for walk-a-tons, swim-a-tons, etc. (Not tangible personal property)

Scenario #7

A PTO/booster group organizes an auction of donated tangible personal property.

Result: The revenue commissioner has ruled that sales tax is due on the fair market value of the goods sold, unless the winning bid is less than the fair market value, and then tax is due only on the bid amount.

Scenario #8

A PTO/booster group organizes a dinner for the benefit of the organization members or volunteers, etc., at no cost to those attending the dinner.

Result: Sales tax is not required for catered meals sold to the qualified exempt entity as long as the meal is “not for resale.” (If the meal is for resale, the fair value of the meal is taxable and sales tax is due.)

Scenario #9

A PTO/booster group organizes a spaghetti dinner fund raiser and the meals are not catered, but prepared by the organization.

Result: The sale of food at a dinner or luncheon is deemed a “sale at retail” and the gross proceeds are subject to sales tax.

Scenario #10

A PTO/booster group purchases athletic equipment to be donated to the school for the school’s athletic programs.

Result: As long as the booster organization is a tax exempt entity, the acquisition of personal property is exempt from sales tax because the merchandise is intended to be used by the exempt organization’s beneficiaries/members.

Scenario #11

A PTO/booster group offers a summer athletic camp. As part of the camp fee, each student is provided a camp t-shirt. Is the t-shirt subject to sales tax?

Result: If the t-shirt is provided to all students as part of the camp experience, and the t-shirt is not an optional purchase to the attendee, the t-shirt is not subject to sales tax.

Scenario #12

A PTO/booster group prepares a family directory and sells those directories to families for the cost to produce the directory, or, alternatively, the cost plus a small profit.

Result: The entire sale price is subject to sales tax, regardless of whether the sale price included a profit.

Scenario #13

A PTO/booster group offers an item in exchange for a fixed or recommended “donation”.

Result: If tangible personal property is exchanged for consideration, sales tax applies, even if the purchase price was called a “donation”.

Scenario #14

A PTO/booster group sells candy and other food at a concession stand at an athletic event or other activity.

Result: Sales of candy as part of a fundraiser are not taxable if not sold for immediate consumption. But concession stand sales are deemed for immediate consumption and are subject to sales tax.

Scenario #15

A PTO/booster group purchases merchandise by the case for resale at a profit.

Result: In this situation, the organization purchasing the goods from the company is deemed to be purchasing for resale. Therefore, sales (the entire sale price, not just the profit) made by the fund raising organization are retail sales subject to sales tax. However, to avoid paying sales tax to the vendor, the fundraising organization should provide the vendor with a completed Michigan Sales and Use Tax Certificate of Exemption (which can be downloaded from the following website: www.michigan.gov/treasury) at the time of purchase.

Scenario #16

A PTO/booster group sells ice cream sundaes to students during lunch. An ice cream bar is set up and the students make their own sundaes.

1. PTO/booster group purchases all sundae materials, sets up and operates the bar and collects money from students.
2. Outside vendor purchases all sundae materials, sets up and operates the bar and collects money from the students, then gives some proceeds to the PTO/booster group.
3. Outside vendor purchases all sundae materials, sets up and operates the bar, but booster group collects money from the students. PTO/booster group splits the proceeds with the outside vendor.

Result: 1. PTO/booster group must collect and pay sales tax. 2. Outside vendor (not the PTO/booster group) must collect and pay sales tax. 3. PTO/booster group must collect and pay sales tax.

Scenario #17

A PTO/booster group holds a dance at the school for students. Students purchase tickets from the group. Ticket cost includes admission and music by a DJ. Group is not selling concessions, but students can purchase concessions from the school’s concession stand.

Result: PTO/booster group is not required to collect or pay sales tax on the tickets. They are not receiving tangible goods in exchange. (The school, not the PTO/booster group, must collect and pay sales tax on the concession sales.)

Scenario #18

A PTO/booster group will operate a “shopping night” at the high school gym.

1. PTO/booster group rents tables to vendors who sell their own goods and keep all proceeds.
2. PTO/booster group rents tables to vendors who sell their own goods and pay PTO/booster group a percentage of their proceeds.
3. PTO/booster group does not rent tables. Vendors bring their own tables, sell their own goods, and give PTO/booster group a percentage of proceeds.

Results: 1. PTO/booster group does not have to collect or pay sales tax on table rental fees. Rent is not a sale of tangible goods. 2. For the same reason, PTO/booster group does not have to collect or pay sales tax. 3. The vendors (not the PTO/booster group) is responsible in all three scenarios to collect and pay their own sales tax.

Scenario #19

A PTO/booster group organizes and runs a cocktail party and dance for adults at a local golf club. Tickets are sold by the group. Ticket prices include admission, music, dancing, and hors d’oeuvres. (Guests buy their own drinks directly from the golf club.)

Results: PTO/booster group must collect and pay sales tax on the portion of the ticket price that relates to food provided at the event (not the whole ticket price.)

Appendix F: Photo Waiver and Release

Student Name: _____ **Grade:** _____

Website photos of [insert group name or student group] are an excellent way to share the activities of the group. This Photo Waiver and Release form grants consent for photos of the student being shared on the publicly-accessible Forest Hills Public Schools (“FHPS”) website, [insert group name and/or school name] website, and Facebook pages, including, [insert website address] and [insert Facebook page name] (collectively, the “Sites”). FHPS, [insert school name], and/or [insert group name] are not responsible for the posting, sharing, or tagging of photos. Generally, student names will not be associated with specific photos. Upon written request, photos and other personally identifying information may be removed from these Sites. Requests to remove photos and other requests, comments, or questions should be sent to [insert contact information].

_____ I hereby grant permission for photos of student named _____ to be posted on the Sites in accordance with their terms of service and privacy policy. I understand that once my photo is posted to the Sites, the photo is publicly-available and may be copied, downloaded, and/or re-shared by others. I agree that I shall have no claim against FHPS, [insert school name] or [insert group name] as a result of the posting of these photos. I hereby waive all rights of privacy or compensation regarding these photos.

_____ I hereby decline permission for photos of student named _____ to be posted on the above websites and Facebook pages. If I select this option, I also agree to assume the responsibility for instructing and enforcing my student to remove him/herself from any group pictures and award photos and agree to fully release the FHPS, [insert school name], and [insert group name] from liability if my student decides to participate in such photo opportunities.

Student Signature
(If student is over 18 years of age)

Date

Printed Name

Parent/Guardian of Student Signature
(If student is under 18 years of age)

Date

Printed Name

Appendix G: District Support Organizations Board Policy

Policy 9211 District Support Organizations

Please visit our district board policy website at: <https://go.boarddocs.com/mi/fhps/Board.nsf/Public>