

## ADMINISTRATIVE OPERATING GUIDELINE

### SANCTIONING ORGANIZATIONS AND ASSOCIATIONS

In compliance with the provisions of state law, the Edmond School District has established procedures to provide for sanctioning of organizations and associations exempted or applying to be exempted from statutory controls and Board policies and procedures pertaining to school activity funds.

Organizations have the following options regarding the management of their funds related to the Edmond Public School District.

- A. Funds may be deposited and expended through a Board-approved school activity account at their local school site. Organizations who choose to deposit their funds in a Board-approved school activity account must follow the District's policies and procedures for school activity funds.
- B. Funds may be deposited and expended through an organization's local bank account and shall be exempt from regulations of the District's school activity fund upon being granted sanctioning status by the Edmond Board of Education under the requirements of this sanctioning policy.

Organizations who have previously obtained IRS designation as a 501(c)(3) organization are still required to apply for sanctioning by the Board of Education.

### PROCEDURES FOR SANCTIONING BY THE BOARD OF EDUCATION

- A. Application for sanctioning must be completed by the organization of association prior to July 1 each year.
- B. The completed application form must be submitted to the Business Office for review.
- C. The Business Office will make a recommendation to the Board of Education concerning the organization seeking to be sanctioned.
- D. The Board of Education will review the organization's application and determine whether to approve or decline the sanctioning request.
- E. **The Board of Education's decision is final and nonappealable.**
- F. All organizations and associations wishing to be sanctioned shall make application to the Board of Education on an annual basis.

- G. Sanctioning shall be approved by the Board of Education on a one-year basis only (July 1 to June 30). The Board of Education shall consider all sanctioning applications at one time during the year (normally the August Board Meeting.)
- H. Following the first year of sanctioning, each organization or association shall provide, with its application for sanctioning, a set of its unaudited financial statements.

In reviewing the annual application for sanctioning, the board of Education may require the organization to provide additional financial information in either of the following formats:

1. A compilation of its financial statements prepared by a Certified Public Accountant (CPA) or Public Accountant (PA) who is licensed to practice public accounting in the State of Oklahoma.
2. A review of its financial statements prepared by a Certified Public Accountant (CPA) or Public Accountant (PA) who is licensed to practice public accounting in the State of Oklahoma.
3. An audit of its financial statements prepared by a Certified Public Accountant (CPA) or Public Accountant (PA) who is licensed to practice public accounting in the State of Oklahoma.

**It should be noted that the sanctioning by the Board of Education in no way grants the organization or association “tax-exempt” status for its operations, nor does it grant “tax deductible” status to its donors. The organization or association should consult a tax professional for advice on these matters.**

### **RESTRICTIONS REGARDING OFFICER POSITIONS**

Employees of Edmond Public Schools are restricted from holding certain offices within a sanctioned organization. Officer positions that typically have fiscal control (e.g. President and Treasurer) are restricted as follows:

- Any full-time employee that is assigned to the school that is supported by the organization cannot hold the office of President or Treasurer.
- Any relative of a full-time employee that is assigned to the school that is supported by the organization cannot hold the office of President or Treasurer.
  - Relative is defined as: father, mother, brother, sister, spouse, child, cousin, aunt or uncle, including generational extensions (e.g. grandparent, great-uncle).
- A substitute worker that is not on a long-term contract may serve as President or Treasurer.

Should the by-laws of an organization define a different position as having fiscal responsibility, said position would also be restricted.