

**GUIDELINES FOR OPERATIONS**



## **DEFINITION/PURPOSE**

The partnership between Dysart Unified School District Parent Support Organizations and district schools embodies the “We are Dysart” culture. When families, schools, and communities work together:

- Student achievement improves
- Teacher morale rises
- Communication increases
- Family, school, and community connections multiply

## **ESTABLISHING A PARENT SUPPORT ORGANIZATION**

Dysart Parent Support Organizations may choose to form one of the following: PTA, PTSA, PTO, PTSO or Parent Booster. PTA and PTSA organizations are a local chapter of a national non-profit corporation.

### Formal Non-Profit Corporation

1. File [IRS Form SS-4](#) “Application for Employer Identification Number” to obtain a Federal tax identification number (1-800-829-4933 or [www.irs.gov](#))
2. Contact Arizona Corporation Commission for Articles of Incorporation Non-Profit Corporation application (1200 W. Washington St., Phoenix, Arizona 85007, 1-800-345-5819 or [www.AZCC.gov](#) )
3. Develop and adopt a set of organization By-Laws
4. Establish officers of the organization
5. File application and Articles of Incorporation with the Arizona Corporation Commission (approximately \$40)
6. Establish checking account with two signatures required on all checks
7. After receiving stamped and approved Articles of Incorporation from the Arizona Corporation Commission, publish the Articles in a local newspaper three (3) consecutive publications (approximately \$200) to establish 501c(3) non-profit tax exempt organization status
8. File [IRS Form 1023](#) “Application for Recognition of Exemption” (application fee is \$400-\$850)
9. An annual report is required by Arizona Corporation Commission listing current officers and financial statements (annual fee approximately \$35)
10. Annual Financial Report is required by the Internal Revenue Service ([IRS Form 990](#))
11. Assure all Officers have been fingerprinted by the District’s Community Education Department

#### **Advantages:**

- Tax Deduction for donations to organization
- No personal liability for the officers as long as acting as a reasonable, prudent person

#### **Disadvantages:**

- Expensive and time consuming to establish
- Requires diligent annual reporting by succeeding officers with penalties for non-compliance

### Informal Non-Profit Association

1. File IRS Form SS-4 “Application for Employer Identification Number” to obtain a Federal tax identification number (1-800-829-4933 or [www.irs.gov](#))
2. Develop and adopt a set of organization By-Laws
3. Establish officers of the organization
4. Establish checking account with two signatures required on all checks
5. Assure all Officers have been fingerprinted by the District’s Community Education Department

#### **Advantages:**

- Inexpensive
- Simple to establish

#### **Disadvantages:**

- Donations to organizations are **not** tax deductible
- Personal liability can attach to the officers if negligence is established
- Officers can be held personally responsible and liable for contractual obligations which they have signed
- IRS may determine that annual net revenue of the organization is subject to Federal income tax

### **OPERATION AND FINANCIAL RESPONSIBILITY**

1. Obtain approval and support from School Administrator.
2. Dysart employees are to be in advisory roles only. They may not be officers of the organization or signers on the checking account.
3. Develop and adopt organization By-laws (governing document). This document should include provisions for amendments.
4. Establish officers of the organization (usually: President, Vice-President, Secretary, and Treasurer).
5. Develop annual budget plan and goals for the organization. Plan activities for the year based on the budget and goals.
6. Treasurer should produce a monthly financial report after the receipt of each bank statement.
  - a. Report should identify all revenue sources during the month
  - b. The report should itemize all expenditures paid during the month, listing date, check number, who it is written to, description of expense, and dollar amount
  - c. All activity on the bank statement should be reconciled
  - d. Copies of report and bank statement should be made available to all officers monthly and any other members that request
  - e. Officers should vote approval of the financial report after presented in a Public Meeting
7. Checking account requires two signatures on all checks. Monthly bank statements should be mailed to the school address, not an individual's home.
8. An annual audit should be conducted by an independent third party (does not have to be a CPA).
9. Money collected through fundraisers and other organization activities should be accounted for, verified by, and prepared for bank deposit by TWO individuals.
10. Minutes of each officers and membership meeting should be produced, distributed to members, and maintained for at least three years.
11. The Arizona School Risk Retention Trust insurance policy includes liability coverage for Dysart Unified School District Parent Support Organizations as long as their meetings and activities are approved by a school administrator. Failure to obtain a school administrator's approval would put the organization at risk. The organization must also be recognized by the Dysart Unified School District (DUSD) Governing Board in order to be covered by the District's liability insurance.
12. Fundraising activities must be approved and agreed to by a Schools Administrator (use Fund Raising Approval Form).