

APPENDIX A

SOE Guidelines for School Related Organizations



STATE OF ALABAMA
DEPARTMENT OF EDUCATION



Joseph B. Morton
State Superintendent of Education

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November 8, 2007

Governor Bob Riley
President

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Randy McCloud
Director of Financial Management

TO: Administrators

FROM: Joseph B. Morton
State Superintendent of Education

RE: *Guidelines for Financial Operations of School-Related Organizations*

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For many years schools and school boards have received conflicting guidance about the accounting requirements for school-related organizations. Several agencies have provided partial and often conflicting rulings regarding the required procedures for the operation of school, student, parent, athletic, and other organizations that provide financial support for school activities and functions.

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Two years ago we began the process of providing guidance for financial operations at the local school level. We have circulated draft guidelines through workshops provided by the Council for Leaders in Alabama Schools (CLAS), the Alabama Association of School Officials, the Alabama Association of School Business Officials, and the Alabama Association of School Business Officials. Workshop participants were receptive and appreciative of our efforts to address areas of specific concern to school officials, parents, auditors, and school personnel.

Dr. J. D. II, Jr.
Director of
Financial Management

Enclosed please find a document entitled *Guidelines for Financial Operations of School-Related Organizations*. Although not specifically endorsed by the Alabama Council of School Superintendents (ACSS) and the Alabama PTA, officials at both of these organizations have reviewed this document and have accepted the need to issue these guidelines.

Dr. J. D. II, Jr.
Director of
Financial Management

Because school boards may be required to amend or adopt local school board policies, the procedures necessary to implement these guidelines should begin as soon as possible, with a goal of full compliance by July 1, 2008.

Dr. J. D. II, Jr.
Director of
Financial Management

If you have questions or concerns about the enclosed guidelines, please contact Dennis Heard at telephone number (334) 242-9747 or by e-mail at dheard@alscfe.edu.

Dr. J. D. II, Jr.
Director of
Financial Management

JBM:WCP:DWH
Enclosure
FY08-3007

Guidelines for School-Related Organizations

The majority of public K-12 schools in Alabama operate under the accreditation standards of the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS/CASI). The *Accreditation Standards 2008* published by SACS/CASI includes in *Standard 2 Governance and Leadership* the following requirement: In fulfillment of this standard the leadership of the school... Controls all activities, including extra-curricular, that are sponsored by the school. This publication also provides in *Standard 6 Financial Resources* § 6.15 the following requirement: In fulfillment of this standard, the school... Controls all funds raised in the name of the school... Interpretations of these standards, primarily *Standard 6*, have created conflicting guidance from various sources relating to the accounting requirements for school-related organizations.

In addition to the requirements of SACS/CASI, the Alabama Department of Education must also consider other factors in providing these Guidelines for School-Related Organizations, including:

- *State laws giving the authority to establish financial and administrative requirements for schools to the:*
 - *State Superintendent of Education.*
 - *State Board of Education.*
 - *Local Boards of Education.*
 - *Department of Examiners of Public Accounts.*
- *Governmental Accounting Standards Board (GASB).*
 - *Generally Accepted Accounting Principles.*
 - *GASB Statement No. 14 - The Financial Reporting Entity,*
 - *GASB Statement No. 39 - Determining Whether Certain Organizations Are Component Units.*
- *Federal legislation.*
 - *Internal Revenue Service.*
 - *Congressionally Chartered Organizations.*

The determination that a particular club or organization is a school activity must be made on a case-by-case basis according to the actual facts and circumstances of the club or organization's operations at a school. The fact that an organization would not exist without the school it supports has no bearing on determining that the organization is a school activity. However, the purpose of these Guidelines for School-Related Organizations is to assist these organizations, school officials, school bookkeepers, auditors, and other agencies in determining the proper accounting for school related organizations.

Student Organizations

Student clubs and classes are usually recognized as school activities. The student officers and faculty sponsor operate the organization while the school principal acts in a fiduciary capacity over the organization's funds. The school's accounting records contain a separate account to record the financial operations of each student organization. Income from the student organization is recorded by receipts and deposited in the school bank account. The school principal approves the purchase orders, signs the checks, and maintains the supporting documents for the expenditures.

Some organizations consisting of students from the school may not be school activities. Some students belong to social organizations that operate off-campus. Community recreation leagues may consist solely of the school's students and operate under other entities that are not under the control of the school. Although the activities of these organizations may benefit the school's students, these organizations have a separate employer identification number (EIN), a separate mailing address, and maintain their own records and accounts.

Athletics

School athletics are extra-curricular activities that must be under the control of the school principal. Coaches and other school employees cannot maintain a separate bank account that supports, or benefits from, a school extra-curricular activity. Funds received to support an athletic activity at a school from sponsors, vendors, or other sources must be included in the school's financial records under the fiduciary control of the school principal. Funds from gate receipts and other sources may be recorded in one or more separate accounts for a particular sport in the school's financial records. However, a separate account for each sport is not required. When athletic events are held on locations other than school property, the school principal's control over the financial operations of the event, including ticket sales, concessions, and parking fees, will be determined by agreement with the entity in control of the event location.

Parent Organizations

Parent and parent/teacher organizations provide a vital role in the education of students. In Alabama public schools, the PTA and the PTO are the most common parent organizations. Both organizations have a national organization that serves the individual school organizations. Each of the national organizations publishes guidance for the financial operations of the individual school organizations. These organizations must have a separate employer identification number (EIN) and a separate mailing address in order to maintain their own records and accounts outside the control of the school. However, these organizations will become school activities if:

- a) *Both parties mutually assent to the fiduciary control of the principal, or,*
- b) *A school employee leads fund raising or maintains the accounting records for the organization.*

Booster Organizations

All school sponsored extra-curricular activities must be under the control of the school. However, booster organizations are often formed to support the operations of these activities in a variety of ways. While providing additional financial support for a particular extra-curricular activity, the volunteers in the booster organizations also enhance community support that often extends to benefit all of the students at the school. Because some of the activities of a booster organization may be intertwined with the extra-curricular activity it supports, some of the organization's activities may be under the fiduciary control of the school principal while other functions of the same booster organization are not school activities. The determination that a particular booster organization is a school activity must be made on a case by case basis according to the actual facts and circumstances of the organization's operations at a school. These organizations must have a separate employer identification number (EIN) and a separate mailing address in order to maintain their own records and accounts outside the control of the school. However, these organizations will become school activities if:

- a) Both parties mutually assent to the fiduciary control of the principal,
- b) A school employee, who is associated with the activity supported by the booster organization, serves/holds a leadership position in the organization, or,
- c) A school employee leads fund-raising or maintains the accounting records for the organization.

Specific activities of a booster organization may come under the control of a school principal if:

- a) The organization collects admission to the school function,
- b) The organization operates a concession operation on school property at the school function,
- c) The organization collects parking fees for the school function,
- d) The organization operates a training camp that includes students of the activity it supports, or,
- e) The organization operates an exhibition or competition that includes students of the activity it supports.

Specific Requirements

Parent organizations and booster organizations that maintain financial operations outside the control of the school could create a negative image for the school by failing to maintain proper accounting controls. Accountability for the funds these organizations control includes an agreement that:

- a) The organization has obtained an employer identification number from the IRS.
- b) The organization provides a report of the annual audit of the organization to the school.
- c) The organization makes its financial records available to the school's auditors and authorized school employees upon request.
- d) The organization provides required financial reports.
- e) The organization provides proof of a fidelity bond for the treasurer.
- f) The organization will not provide any payment or benefit to a school employee (or family member of a school employee) in violation of the State Ethics Law.

APPENDIX B

Elmore County Schools REQUEST TO OPERATE SCHOOL CLUB, BOOSTER, OR SCHOOL ORGANIZATION

To: _____
Principal Name

Location: _____
School Name

Name of Organization: _____
 Purpose of Organization: _____
 Student Group to be supported: _____
 Faculty Sponsor for Organization: _____
 Current Number of Parent Supporters: _____

I agree with the following statements:

- I have spoken with the faculty members who will serve as the sponsor of the support organization and have received their permission to submit this registration form.
- I have read the Booster Clubs and School Support Organizations Guidelines thoroughly and agree to abide by the rules and guidelines it contains.
- I understand that noncompliance with any District policy or guidelines may result in the disbanding of the support organization by the Principal or Chief Financial Officer.

Submitted by:

Representative	Date	Sponsor	Date
Representative Address		Phone Number	

For Local School Use Only	
<p>Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>By: _____</p> <p>Date: _____</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Organization's Bylaws and Operating Procedures <input type="checkbox"/> Officer Information Form <input type="checkbox"/> Mailing Address for Organization which must be a P.O. Box <input type="checkbox"/> Employer Identification Number (EIN) if applicable <input type="checkbox"/> Application for Federal Tax-Exempt Status 501 (c)(3) or (6), if applicable <input type="checkbox"/> Proposed budget <input type="checkbox"/> Articles of Incorporation filed with Alabama Secretary of State (Recommended)

*Send a copy of this form to:(1) The Sponsor, (2) The Principal, and (3) The CSFO.
Return the original form to the representative of the support organization.*

APPENDIX C

Elmore County Schools

NOTIFICATION OF OFFICERS

Submit officer information to your supporting campus/department immediately following your organization's election. Information should be submitted even if officers have not changed from the previous year. Any changes that occur during the year prior to the next election should be reported utilizing this form. A copy of this form should also be maintained by the organization. A copy of the organization's fidelity bond should be submitted with this form.

School Year: _____ Local School Supported: _____

Name of Organization: _____

EIN # _____

PRESIDENT

First and Last Name

Street Address or PO Box, City, State and Zip Code

Primary Phone Number

Email Address

VICE PRESIDENT

First and Last Name

Street Address or PO Box, City, State and Zip Code

Primary Phone Number

Email Address

TREASURER

First and Last Name

Street Address or PO Box, City, State and Zip Code

Primary Phone Number

Email Address

SECRETARY

First and Last Name

Street Address or PO Box, City, State and Zip Code

Primary Phone Number

Email Address

APPENDIX D

Elmore County Schools
BOOSTER BANK ACCOUNT INFORMATION

Bank accounts used by the _____

organization include:

Name of Bank

Account Number

The identification number used for the bank account is: _____

Organizations Identification Number(EIN) should be used. Do not use an individual's social security numbers, and **do not use the District's EIN.**

The current authorized signers **include the** following organization officers:

Name of Person/Officer

Position Held

IMPORTANT

The Sponsor cannot be an authorized signer on any organizations bank account. No employee or the district may be an authorized signer on the organization's bank account.

Submitted by:

Representative

Date



APPENDIX E

FUNDRAISER APPROVAL & AUDIT

**** Must be reconciled within 30 days of closing! ****

Name of Activity and Person in Charge: _____

Date Request Submitted: _____

Date Fundraiser Begins: _____ Ends: _____

Name of Fundraising Project: _____

Purpose of Fundraiser: _____

Detailed Explanation of Fundraiser: _____

Description of Fundraiser:

1. Name of company being used: _____
2. Description of items for sale: _____
3. Cost of items for sale: _____ (If multiple items, attach complete list)
4. Sale price of items for sale: _____ (If multiple items, attach complete list)
5. Beginning date money is to be collected: _____
6. Description of estimated cost of related expenses: _____
7. Estimated profit from fundraiser: _____

_____ Sponsor's Signature	_____ Principal's Approval	_____ Date
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COMPLETE AFTER FUNDRAISER IS COMPLETED

Total Sales _____ P.O. # _____

Total Cost of Product _____

Miscellaneous Cost _____ Check # _____

Profit _____

Explain Miscellaneous Cost (prizes, ect.) _____

Were there any leftover items? _____ How much? _____

What was done with the leftovers? _____

FORM MUST BE SIGNED BY SPONSOR AND BOOKKEEPER

_____ Sponsor's Signature	_____ Bookkeeper
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Attach detail activity report showing all activity for fundraiser. Attach copy of invoice with paid stamp.

APPENDIX F

PARENT SUPPORT ORGANIZATION SAMPLE AUDIT PROGRAM

Audit Procedures:

BANK STATEMENTS

- Determine whether a procedure is in place for a club member, other than those that have check signing ability, to receive bank statements by mail and review for reasonableness.
- Determine whether any cash corrections were identified on bank statements. Ensure that reasonable explanations are available.
- Compare the number of cleared checks included in the bank statement with the number that is noted on the bank statement to ensure agreement.
- Ensure that cleared checks contain signatures of individuals authorized to sign checks.
- Ideally, bank accounts should be established to require two signatures.

BANK RECONCILIATIONS

- Trace ending balances on the reconciliations to bank statements, outstanding check lists, and other reconciling items.
- Verify that bank reconciliations were completed within 30 days of bank statement ending date.
- Ensure that any outstanding or reconciling items on the reconciliations were cleared the following month.
- Verify that the balance in the bank account (at beginning of school year), plus total deposits per check register, minus total disbursements per check register, balances to ending bank account balance (at end of school year).

RECEIPTS

- From the receipt book/log or other accounting records select a representative sample to test (Use of spreadsheets is helpful)
- Trace deposits to collection documentation/cash receipts for agreement.
- Trace deposits to bank statements to ensure agreement.
- Ensure that receipts are presented for deposit in a timely manner by reviewing the dates of cash receipts with the date of deposit on the bank statement.

DISBURSEMENTS

- From the check register or other accounting records, select a representative sample of checks, withdrawals, or other debits (use of spreadsheets is helpful). If volume is significant, consider selecting only a representative sample.
- Trace checks to supporting documentation such as invoices, receipts, approved expenses related to fundraisers, or any other documentation.
- Review the canceled check to ensure agreement of payee name, endorsement, and check amount. Review for checks made out to cash or officer of organization.
- Trace disbursements to budget approved by the membership or meeting minutes.
- For bank withdrawals for the purpose of establishing a change fund for an event, confirm that the change fund was later re-deposited.

- Confirm no school district employees have been paid through the organization.
- 1099 is issued for all individuals and applicable businesses.

FUNDRAISERS

- Evaluate each fundraiser individually by calculating the value of items available for sale or number of tickets sold, and compare to deposits and remaining inventory, if any, to ensure agreement.
- Determine whether fundraiser applications were prepared and submitted to the campus principal for each fundraiser.
- Review Fundraiser Reconciliation Form for accuracy.

MISCELLANEOUS

- Inventory remaining check stock to confirm that all checks are present and sequential.
- Ensure that the check number for the last check issued and first check available in check stock are sequential.
- Confirm that check stock is retained in a secure place when not in use.
- Determine whether any checks were voided during the course of the year. Ensure that any voided checks are retained in the records and have been sufficiently modified to eliminate the possibility of clearing the bank (i.e. signature portion has been cut out of the check and VOID has been written across the check).
- Ensure that sales tax reports were prepared and filed timely.
- Ensure that an IRS Form 990 was filed and review for reasonableness.

Essential Internal Control Procedures for Support Organizations

- Money should never be kept at a treasurer's home.
- Two people should always count the money and both should sign the receipt verifying the amount.
- Two signatures should be required on all checks.
- Have a member who does not have check signing authority review the bank statement monthly before giving it to the treasurer. This person is looking for red flags including: checks showing up in non-sequential order, checks made out to cash, cash withdrawals, checks written out to non-approved vendors, checks written for non-approved expenses, and checks written out to individuals.
- **Never** sign a blank check or a check made out to cash.
- Money should be deposited into the organization's bank account daily or according to the districts procedures even if a project is ongoing.
- All bills must be paid by check, never cash.
- Conduct an annual audit of the books.

APPENDIX G

CONTACT LIST

In addition to the local school principal, other helpful contacts/links are provided below:

Alabama Department of Education	http://www.alsde.edu/
Alabama Building Commission	https://www.bc.alabama.gov/
Alabama Ethics Commission	info@ethics.alabama.go
Alabama Attorney General's Office	https://www.alabamaag.gov/
Internal Revenue Service	https://www.irs.gov/
National PTA	https://www.pta.org/
Alabama PTA	https://www.alabamapta.org/
National PTO	https://www.pto.org/
Parent Boosters USA	https://parentbooster.org/
Tax-Exempt Organizations	https://www.irs.gov/ (select Charities & Non-Profits)
Tax Forms and Publications	https://www.irs.gov/ (select Forms & Publications)

APPENDIX H

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2, A group of potential participants purchased a ticket which, if their name is drawn, entitles them to participate in the 90m; with the winner of the competition being given a substantial prize. An example of this would be a basketball being contested wherein the participant, purchase a ticket making them eligible to participate in the contest, if their name is drawn and they win the contest, the winner is awarded a substantial prize,

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In the opinion of the following:

An attorney for the Mountain Brook Board of Education, has been requested by the superintendent and board to ask whether raffle contests by local schools are in violation of Alabama law.

For years, local schools through the state have been asked to discontinue such activities, but have refused. This is because of the fact that a fairly large percentage of the raffle contests are used to supplement local school funds for textbooks, etc. In fact, many schools are dependent on these contests for their operating budgets.

Please advise whether the public schools are permitted to conduct raffle contests.

Article IV, Section 65 of the constitution of Alabama, ... of 1901 prohibits the operation of lotteries in the State of Alabama, and, specifically provides:

The legislature shall have no power to authorize lottery or gift certificates for

an purpose and shall pass laws to prohibit the sale in this state of lottery or gift enterprise tickets or tickets in any scheme in the nature of a lottery, and all acts or parts of acts, heretofore passed by the Legislature of this State, authorizing a lottery or lotteries, and all acts and ordinances thereof, are hereby repealed, and are hereby voided.

In the opinion of Honorable Gwin W. Williams, Mayor, under date of December 1, 1914, this office advised that the Alabama Supreme Court by Helms v. Helms - and again in the case of the Alabama Constitution prohibit the sale of lottery tickets in the business of conducting a lottery.

In the opinion of the Justice of the Peace, (Ala. 1911), the court held that of a lottery was (1) a prize, (1) awarded by chance, and (3) for consideration.

Because of the opinion of the Justice of the Peace that the raffle contest conducted by a donated prize was awarded by chance for the purpose of the purchase of tickets, the opinion of the Justice of the Peace that such a practice, by a school board, constituted a violation of the prohibition against conducting a lottery.

Moreover, Code of Alabama 1901, § 111-11-22 provides:

(a) A person who contracts to play a lottery or to purchase tickets therefor, or who knowingly aids or abets another to do so, shall be guilty of a crime.

(b) Every person who contracts to play a lottery or to purchase tickets therefor, or who knowingly aids or abets another to do so, shall be guilty of a crime.

In light of the fact that the person carrying out the lottery, other than a player, could be charged with the crime of conducting a lottery.

With regard to your question, in the opinion of Honorable G. W. Williams, District Attorney, under date of September 20, 1914, this office noted that the term "lottery" as defined in Code of Alabama 1901, § 111-11-101c) is a crime. It is defined as follows: "A lottery is a game of chance in which a person contracts to play a lottery or to purchase tickets therefor, or who knowingly aids or abets another to do so, shall be guilty of a crime." H:

Honorable Donalds. Sweeney, Jr.
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STATE OF ALABAMA
OFFICE OF THE ATTORNEY GENERAL

TROY KING
ATTORNEY GENERAL

500 DEXTER AVENUE
MONTGOMERY, AL 36130
(334) 2-02-7300
WWW.AGO.STATE.AL.US


MEMORANDUM

TO: All Directors & Executive Directors of State Agencies, Departments & Boards

FROM: L. Daniel Morris, Jr.
Chief Deputy Attorney General

DATE: March 3, 2009

RE: Raffles



It has been brought to the attention of the Attorney General through a complaint from outside of the office that several specific State agencies and departments are conducting raffles for various charitable and non-charitable causes. Many of these causes are worthy of support and this memo is not intended to discourage supporting their work. Please be aware that under the law in the State of Alabama, all raffles are considered illegal lotteries and are prohibited by Alabama law. Under the law of this State, there is no exception for holding a raffle just because the proceeds go to a charitable organization or another worthy cause. Furthermore, advertising these events on the internet or otherwise could be considered a misdemeanor, "promoting gambling."

Please take the action within your agency, department, or board that you see as appropriate to make sure that the State of Alabama complies with all gambling laws.

LDMjr./jaf

Alabama Code Title 13A. Criminal Code § 13A-12-20

The following definitions apply to this article:

(1) **ADVANCE GAMBLING ACTIVITY.** A person “advances gambling activity” if he engages in conduct that materially aids any form of gambling activity. Conduct of this nature includes but is not limited to conduct directed toward the creation or establishment of the particular game, contest, scheme, device or activity involved, toward the acquisition or maintenance of premises, paraphernalia, equipment or apparatus therefor, toward the solicitation or inducement of persons to participate therein, toward the actual conduct of the playing phases thereof, toward the arrangement of any of its financial or recording phases or toward any other phase of its operation. A person advances gambling activity if, having substantial proprietary control or other authoritative control over premises being used with his knowledge for purposes of gambling activity, he permits that activity to occur or continue or makes no effort to prevent its occurrence or continuation.

(2) **BOOKMAKING.** Advancing gambling activity by unlawfully accepting bets from members of the public as a business, rather than in a casual or personal fashion, upon the outcome of future contingent events.

(3) **CONTEST OF CHANCE.** Any contest, game, gaming scheme or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that skill of the contestants may also be a factor therein.

(4) **GAMBLING.** A person engages in gambling if he stakes or risks something of value upon the outcome of a contest of chance or a future contingent event not under his control or influence, upon an agreement or understanding that he or someone else will receive something of value in the event of a certain outcome. Gambling does not include bona fide business transactions valid under the law of contracts, including but not limited to contracts for the purchase or sale at a future date of securities or commodities, and agreements to compensate for loss caused by the happening of chance, including but not limited to contracts of indemnity or guaranty and life, health or accident insurance.

(5) **GAMBLING DEVICE.** Any device, machine, paraphernalia or equipment that is normally used or usable in the playing phases of any gambling activity, whether that activity consists of gambling between persons or gambling by a person involving the playing of a machine. However, lottery tickets, policy slips and other items used in the playing phases of lottery and policy schemes are not gambling devices within this definition.

(6) **LOTTERY or POLICY.** An unlawful gambling scheme in which:

a. The players pay or agree to pay something of value for chances, represented and differentiated by numbers or by combinations of numbers or by some other medium, one or more of which chances are to be designated by the winning ones; and

b. The winning chances are to be determined by a drawing or by some other fortuitous method; and

c. The holders of the winning chances are to receive something of value.

(7) PARI-MUTUEL, MUTUEL OR THE NUMBERS GAME. A form of lottery in which the winning chances or plays are not determined upon the basis of a drawing or other act on the part of persons conducting or connected with the scheme, but upon the basis of the outcome of a future contingent event or events otherwise unrelated to the particular scheme.

(8) PLAYER. A person who engages in any form of gambling solely as a contestant or bettor, without receiving or becoming entitled to receive any profit therefrom other than personal gambling winnings, and without otherwise rendering any material assistance to the establishment, conduct or operation of the particular gambling activity.

(9) PROFIT FROM GAMBLING ACTIVITY. A person “profits from gambling activity” if he accepts or receives money or other property pursuant to an agreement or understanding with any person whereby he shares or is to share in the proceeds of gambling activity.

(10) SLOT MACHINE. A gambling device that, as a result of the insertion of a coin or other object, operates, either completely automatically or with the aid of some physical act by the player, in such a manner that, depending upon elements of chance, it may eject something of value. A device so constructed or readily adaptable or convertible to such use is no less a slot machine because it is not in working order or because some mechanical act of manipulation or repair is required to accomplish its adaptation, conversion or workability. Nor is it any less a slot machine because apart from its use or adaptability as such it may also sell or deliver something of value on a basis other than chance.

(11) SOMETHING OF VALUE. Any money or property, any token, object or article exchangeable for money or property or any form of credit or promise directly or indirectly contemplating transfer of money or property or of any interest therein, or involving extension of a service entertainment or a privilege of playing at a game or scheme without charge.

(12) UNLAWFUL. Not specifically authorized by law.

(a) A person commits the crime of simple gambling if he knowingly advances or profits from unlawful gambling activity as a player.

(b) It is a defense to a prosecution under this section that a person charged with being a player was engaged in a social game in a private place. The burden of injecting the issue is on the defendant, but this does not shift the burden of proof.

(c) Simple gambling is a Class C misdemeanor.

State of Alabama Attorney General's Office

<http://www.ago.state.al.us/Default.aspx>

FREQUENTLY ASKED QUESTIONS

(click question to view answer)

[Can a non-profit organization conduct a raffle to raise funds in Alabama?](#)

No. (Code of Alabama [§13A-12-20, Article IV§ 65, Const. of Ala 1901](#))

State of Alabama Article IV; section 65 states:

SECTION 65

Lotteries and gift enterprises prohibited.

The legislature shall have no power to authorize lotteries or gift enterprises for any purposes, and shall pass laws to prohibit the sale in this state of lottery or gift enterprise tickets, or tickets in any scheme in the nature of a lottery; and all acts, or parts of acts heretofore passed by the legislature of this state, authorizing a lottery or lotteries, and all acts amendatory thereof, or supplemental thereto, are hereby avoided.

<http://alisondb.legislature.state.al.us/alison/codeofalabama/constitution/1901/CA•245600.htm>

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APPENDIX I

Elmore County Schools

Outside Organization Yearly Submission Check Off List

Submit this information to the local school office by November 1st of each year.

Local School Supported: _____

Name of Organization: _____

Mailing Address: _____

Proof of Tax ID Number (EIN)-Notice from IRS

Copy of the Internal Revenue Service Tax Exempt letter

Proof of Fidelity Bond - *A current policy must be submitted. The amount of official fidelity bond should be equal to the average amount of revenue's received by the organization.*

Proof of Audited Financials - *The audit does not necessarily have to be conducted by a CPA Firm, however it is strongly advised that the person performing the audit have an accounting background. These individuals must sign a statement certifying they have reviewed the financials, cash receipts, and fundraising activities for accuracy; any exceptions should be noted*

Financial Report – *The financial report is basically a summary of revenues less expenditures. This is a calculation of the organizations' profit margin to determine if the organization is profitable. The financial report does not necessarily have to be at year-end or at the end of the sport sponsored by the organization. This financial report can be done at any given month-end but must be for the latest full year. If no summary report can be produced a copy of all deposits, checks and receipts for a complete year should be submitted.*

October 1st through September 30th of the reporting year

Bank Statement --*a copy of the first and last bank statements for the reporting period should be submitted ALONG with the financial statements. If no financial statements, a copy of all the bank statements must be submitted.*

For the latest 12 months of the organization.

Club Officers-*a list of all officers along with contact information, Phone number, address and email address, for each officer.*

Copy of By Laws that have been adopted

The items listed above are required to be submitted to ACBOE each year by November 15th. This date gives Central Office time to review all submitted documents and request any missing information prior to the annual arrival of the auditor sent by the Alabama Department of Examiners of Public Accounts. In the event these items are not submitted annually, and proof of the above cannot be verified, as required by the SDE, the parent/booster organization will have one of two options:

- (1) The organization can run through the school's books under the full authority of the school principal, or
- (2) The organization can be dissolved.

APPENDIX J

AUDIT CERTIFICATION

To Whom It May Concern:

I, _____ certify that I have reviewed the financial statements for
_____ Booster/Organization for the season _____

This would include **all** of the following financial information:

Financial Statements

Bank Statements

Check Request Forms

Receipts

Deposit Tickets

Concession Reports

Fundraiser Log/Spreadsheet

I certify that there were no discrepancies upon my review.

Sincerely,
