

Iowa City Community School District

Affiliate Organization

Handbook

School Year
2021 – 2022



ICCSD Affiliate Organization Handbook

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ICCSA Affiliate Organization Handbook

Introduction

Along with any information you may receive from associations with national or international school support groups, the purpose of this affiliate organizations handbook is to provide key financial guidance to those groups who work closely and in partnership with the District to enhance student programs and services. Please take a few minutes to familiarize yourself and others within your organization with this information. We hope you find this document to be helpful. We will work to improve and add information as time goes along. If you have suggestions on topics you would benefit from being included in this document, please let us know. As issues arise throughout the year, please feel free to contact the business office for assistance.

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Gift Law Reminder

It is good to remind ourselves each year of the responsibilities we have as public employees concerning giving and receiving gifts. All District employees are considered to be public employees and Iowa code 68B.22 outlines responsibilities we have concerning gifts. Except as otherwise provided in this code section, a public official, public employee or candidate or that person's immediate family member, shall not directly or indirectly, accept or receive any gift or series of gifts from a restricted donor. A public official, public employee, candidate, or the person's immediate family member shall not solicit any gift or series of gifts from a restricted donor at any time. Public employees may not receive nonmonetary items with a value exceeding three dollars or more from any one donor during one calendar day. As a District, we just ask parents and staff alike to be mindful of these limitations.

As a practical application of this Iowa code provision when the PTO / PTA / Booster organization wants to provide a monetary gift to a classroom teacher for the purpose of buying supplies etc. it would not be appropriate to give the money or a gift card directly to the teacher. We would suggest two alternative methods that would in best practice comply with the spirit of this law. These are as follows:

1. Gifts directed to the school for classroom can be given directly to the District and designated for that teacher to use. When the teacher purchases supplies using the District P card (credit card available in each building) or by using a District purchase order we can pay for these directly from the account where the gift was received. These gifts are simply considered donations to the District.
2. The other method would be for the affiliate organization to inform the teacher of the amount they have to spend and when they purchase things for the classroom the teacher can turn in a receipt to the organization's treasurer who will provide a reimbursement.

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Liability Coverage for FY21-22

Effective July 1, 2012 the District joined the Iowa Public School Insurance Program (IPSIP). This self-funded insurance pool has been performing well and the District is continuing with this program for 2021-22 school year. As an acknowledged affiliated group (i.e. PTOs, booster clubs, sports camps, party after the proms and the ICCSD Foundation) coverage is extended to your organization free of charge subject to the following limits:

General Liability

Each Occurrence Bodily Injury & Property Damage	\$2,000,000
Aggregate	\$4,000,000
Sexual Abuse & Misconduct	\$2,000,000
Hired and Non-Owned Auto Liability, Each Occurrence	\$2,000,000

Directors & Officers Liability

Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000
Deductible	\$ 1,000

Umbrella Liability

\$8,000,000

Excess of the above General Liability and Directors and Officers Liability Limits

Note: Crime insurance for affiliate groups is covered if the district has oversight of the affiliate group's financials. If ICCSD does not have financial oversight - a crime quote can be provided to the group for a nominal fee by the IPSIP administrators.

Cash Handling Recommendations for Affiliate Groups

In August 2012 the ICCSD changed how money is managed within each building across the entire District. All funds collected at the building level go through a rigorous accountability process from the moment they are received to deposit in the bank. The whole goal of these procedural changes is to reflect best practices in this area of accounting and reduce the opportunity for the misidentification of funds or even theft. As a District it is recognized that we have limited input or control over the way our affiliate groups manage funds. We do however; know that once something goes wrong we all tend to get painted with the broad brush of negative public perception. To minimize this risk, we are providing affiliate groups with cash management suggestions which we hope you will find efficacious. Many of the procedures the District has adopted do not pertain directly to your organization but if you think you would benefit from knowing these we can certainly provide them to you as a best practice guide.

Please know that District funds are to be expended only for legitimate public purposes and not for private personal gain for which services of comparable value have not been rendered to the District. This is a requirement of the Iowa Constitution. All funds received by the District are considered public funds and must be used to support the educational mission of the District. The only exception would be funds held in Trust and Agency status for another entity or qualified group / individual where the District was acting as only the fiscal agent. To test whether an expenditure is appropriate is called the “public scrutiny test.” Simply ask yourself whether or not the tax-paying public would view the expenditure as necessary to support public education.

Below are simple steps an affiliate organization can follow to improve the security and accountability of collected and dispersed funds:

- Make good written policies for your organization in the area of money handling and investing.
- Provide a pre numbered receipt to donors when taking money from individuals.
- Provide at least two people to independently count and verify the cash or checks received from an event prior to making out the deposit slip.
- Whenever possible deposit the funds at your local bank the day the funds are received.
- When you cannot get to the bank, never leave cash in a vehicle or lying around the house. Always secure the funds in a safe location.
- Make sure your bank account has updated and current signatures on file.
- Require of the treasurer to make a regular accounting and bank reconciliation report to the membership.
- Annually conduct an internal audit using at a minimum of two members’ other than the treasurer to consider bank statements and the checking account register.
- Evaluate the safety of money management practices for your organization on a regular basis.

Fundraising

The ICCSD values our partnership with affiliate groups as we work together to increase the resources available to our student programs and activities. As we partner we always want to be sensitive to the number of times we ask our community for additional resources and make the most of these limited opportunities. To that end, we have in place some guidelines that help to guide our decision making process and provides for a “screening or clearing” system that allows the District to keep a pulse on the number and types of initiatives in place at any one time. We would ask that any group contemplating a fundraising effort to please read through these policies and to follow the process prescribed. These guidelines can be found in **Appendix A**.

Along with our District procedures, the state of Iowa has guidance and procedures to follow if the affiliate group is planning to use some type of game of chance activity as a part of that fundraiser. Any group contemplating this should read through the information provided in **Appendix B** or go to the Iowa Department of Inspections and Appeals for the latest forms to use when applying for a charitable gambling license. Each affiliate group will be responsible for obtaining their own gambling license and completing the applicable paperwork for the state reports.

Please remember that the District has the exclusive right and responsibility to control all products and services provided to students during the school day and before and after the school day in compliance with federal and state regulations. Affiliate groups may not enter into any type of contract or agreement on “behalf” of the District or introduce into the school environment products or services without first receiving approval from the ICCSD Board of Education.

Legal Status of Affiliate Organizations Annual Reporting to the District

Governmental Accounting Standards Board Statement #39 requires that ICCSD should discretely present as component units in the annual District audit, the financial condition of organizations that are legally separate, tax-exempt, and that meet the following criteria. These criteria are:

- The economic resources received or held by the separate organization are almost entirely for the direct benefit of the District and;
- the District is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization and; economic resources received or held by the separate organization that the District is entitled to, or has the ability to otherwise access, are significant to the District.

To ensure we perform our due diligence to comply with this requirement we are seeking to receive year-end financial statements from any potential affiliate organizations in advance of our annual audit.

Your organization has been identified as meeting one or more of the criteria above. We would ask that you provide to the District the following documents:

1. A revenue and expense statement that would reflect financial transactions that occurred within your organization during the prior school year.
2. A simple balance sheet showing your beginning and ending fund balance for transactions that occurred within your organization during the prior school year.
3. A copy of your monthly bank statement just prior to the end of your organization's fiscal year. (For example; the district's fiscal year runs from July 1 to June 30 each year. If your organization's fiscal year is the same you would provide a copy of the June bank statement)

We would ask that you provide these documents for exclusion in our audit process by August 15, each year.

Education Services Center
Iowa City Community School District
1725 N. Dodge Street
Iowa City, Iowa 52245
Attention: Business Office

Speaker Fees

There are many times during the year when our students are provided with the opportunity to hear from quality guest speakers, renowned lecturers, or leading authorities on a broad variety of subjects both at the school buildings or a community location. Often, these experts require a speaking fee and the building support groups are asked for financial assistance. In instances like this there is the best practice way of partnering together as affiliate group and District and then there is everything else. The best practice way would be for the affiliate group to simply write a check out to the building student activity account for the amount that is being contributed for this purpose and have the building deposit the money into that account. Pending communication from the building, the District Business Office would be responsible for issuing the payment to the guest speaker. This promotes best accounting practice by keeping us legal with the IRS and the issuance of appropriate 1099 forms.

The buildings have the option to follow one of two district approved methods to get this payment made:

- A. The preferred method is to have the speaker invoice the district after the event occurs using their business letterhead or send a personal service invoice providing their tax identification number (TIN). In addition, the speaker must provide an IRS W-9 form. <https://www.irs.gov/forms-pubs> This documentation should be sent or forwarded to the District Business office for payment. This documentation should also include the proper building account code to be charged with this payment.
- B. The 2nd method would be if the speaker wanted the payment in hand right after the services are rendered to take home with them. The building should remit the proper paperwork to the District Business Office with proof documentation for the speaker fee (including TIN) at a minimum of a week in advance. The business office would write the check during the weekly bill cycle and return this to the requesting building to provide to the speaker.

Appendix A
District Fundraising Guidelines

ADMINISTRATIVE GUIDELINE

Fundraising is used to supplement district financial and human resources. Fundraising may be used to purchase materials and services. It may also be used to undertake facility improvements. In order to coordinate fundraising activities and acknowledge the burden that can be placed on local businesses and individuals without such coordination, the district has established a fundraising approval process.

For the purpose of this guideline, the term “fundraising” includes any request of financial or in-kind assistance made by an individual or group to an individual, group, or business on behalf of the district or a district school or program. This includes a proposal to submit a grant.

The Fundraising Approval Committee, appointed by the Superintendent, reviews all fundraising proposals prior to implementation and provides feedback on items such as the size and scope, timing and campaign donor solicitation. The Fundraising Approval Committee coordinates with the ICCSD Foundation. Applications to conduct a fundraising campaign should be sought from the Superintendent’s office and submitted per the guidelines contained therein. While fundraising may be targeted to benefit the district in areas other than facilities, it is noted that, for any campaign whose purpose is to alter or improve District facilities, the Fundraising Approval Committee will consult with Operations prior to considering an application.

Staff members who conduct student fundraising activities without prior approval from the Fundraising Approval Committee may be subject to disciplinary action.

In addition to seeking approval from the Fundraising Approval Committee, all campaigns whose sponsor/sponsoring organization do NOT have tax exempt status are required to use the ICCSD Foundation as the campaign’s fundraising arm. This provides the campaign the oversight of these larger scale donations and proper documentation necessary for both the donor and the District. These campaigns will be subject to the provisions outlined by the ICCSD Foundation as they relate to fees and procedures. Campaigns who hold tax exempt status will be asked to verify said status prior to commencing an event.

Approval must be secured from the Fundraising Approval Committee and all applicable funds must be collected and in possession of the District (for campaigns run by tax exempt sponsors) or the ICCSD Foundation (for campaigns run by non-tax exempt sponsors) before an order for materials or services may be placed or before construction on a facility improvement may begin. Fundraising pledges are important but do not constitute collected funds for the purpose of this guideline.

Any questions about this guideline should be directed to Chair of the Fundraising Approval Committee.

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Fundraising Request Form

The Iowa City Community School District values the support provided to it through community and school fundraising efforts. To ensure a shared understanding of the fundraising projects taking place, the District requires all members of the District school community that desire to support the school district, a specific school or classroom through a fundraiser submit a *Fundraising Request Form* to the District's Fundraising Committee prior to beginning the fundraiser. The *Fundraising Request Form* should be completed and submitted to the Committee (via Kristin Pedersen) prior to the fundraiser beginning. Applicants will be notified within ten (10) school days if the request has been approved, denied or if additional information is needed. For fundraisers conducted using crowdfunding, a *Crowdfunding Addendum* and written statement must be submitted with this form.

1. Brief description of the campaign
[Click here to enter text.](#)

2. Determine the size and scope of the campaign
 - a. With which district administrator are you working (if any)?
[Click here to enter text.](#)
 - b. What is the district need being met by a fundraising campaign?
[Click here to enter text.](#)
 - c. What is the amount of the fundraising goal of the campaign? (Note: if the campaign seeks to raise \$5000 or more, the ICCSD Foundation must be used as the fundraising arm for the campaign) [Click here to enter text.](#)
 - d. What amount is intended to be raised? [Click here to enter text.](#)
 - e. What co-commitment is being requested by the district?
[Click here to enter text.](#)
 - f. What long-term commitment is being requested by the district? (maintenance, upkeep, replacement, repair, etc.)
[Click here to enter text.](#)

3. What is the name of the proposed campaign? [Click here to enter text.](#)

4. What is the proposed campaign timeline – beginning to end? [Click here to enter text.](#)

5. How will the campaign solicit donors?

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- a. Mailings – timeline of when these will occur (must have pre-approval of Foundation for any/all mailings) [Click here to enter text.](#)
- b. Personal or phone solicitation?
- c. Crowdfunding – website presence?
- d. Special events – silent auctions, golf outings, dinners, etc.
6. Will there be other types of donations?
 - a. Online Donations
 - b. ACH (payroll deduction)
 - c. Pledges
 - d. Stock Donations
 - e. Grants
 - f. Credit Card Transactions
 - g. Endowments
 - h. Other [Click here to enter text.](#)
7. How will donors be identified? Will there be out of state solicitations?

[Click here to enter text.](#)
8. Other information necessary for the committee as they consider the request?

[Click here to enter text.](#)

I attest that all information contained in this form is accurate and my signature indicates:

- I have read and will abide by administrative regulation # 708.1 (Fundraising)
- I understand that the District reserves the right to review, revise, delay or reject implementation of any school improvement project that is funded through a fundraiser and requires the contribution of materials, money or human capital from the District to fully implement and sustain the initiative
- I have discussed this project with the building administrator or program supervisor
- I will inform the Fundraising Approval Committee if any of the answers to the questions contained herein change
- The organization I represent is tax exempt and if not tax exempt, I agree to run the fundraiser through the ICCSD Foundation
- If utilizing crowdfunding (as indicated in my answer to # 5) I have completed the *Crowdfunding Addendum*

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Applicant Name / Organization

School

Applicant Signature

Date

Principal Signature

Date

Fundraising Do's and Don'ts

1. ICCSD has the authority to regulate fundraising activity during school and school sponsored events and to regulate the use of the funds derived from those sources.
2. Any organization seeking to engage in a student fundraising activity must first seek approval from the ICCSD fundraising committee.
3. To establish responsibility and promote transparency all fundraising activity must clearly be identified as a school sponsored or outside group sponsored event.
4. The fundraising committee will decide to what extent district resources will be used in support of the fundraising event i.e. use of facility or staff time.
5. Money collected from a district sponsored fundraising event must be accounted for by the district business office in a student activity fund account.
6. Money collected from a district authorized fundraising event by an external group which does not have IRS code 501c3 status, shall partner with the ICCSD Foundation for tracking and tax deductibility of funds.
7. No bank accounts shall be opened under the district name or under a personal ID number to hold fundraising monies unless first authorized by the district business office.
8. It is never appropriate to give fund raised cash directly to students or to be used for the student's personal benefit.
9. Students cannot receive merchandise or personal benefits in lieu of cash. District resources cannot be used to personally benefit a student.
10. Outside groups may not use the district ID or tax exempt status and collect funds without tracking them in a school district account.
11. Qualified 501(c) 3 organizations can be disqualified and lose this IRS status if engaged in activities that lead to cooperative fundraising (providing "credit" to volunteers who participate), private inurement (when officers benefit from the group's activities), and private benefit (when selected individuals benefit rather than the broad public purpose)

District / Foundation Partnership

1. Unless the benefactor specifically communicates their desire to give a gift directly to the District (which they are permitted to do), the Foundation will receive all gifts / donations on behalf of the District.
2. Both the District and Foundation are qualified “public charities” doing business as a not-for-profit organization as defined under IRS code section 501(c)(3). As a result of this recognized status, either organization can receive any type of physical or monetary donation and issue the proper acknowledgement of value to the donor for their personal income tax deductibility purposes.
3. As of July 1, 2014 the District is responsible to perform the accounting and tracking of all funds (with 2 exceptions) which relate to monies generated / received through donations or fundraising and are targeted to buildings, staff or students internal / external to each school building. When appropriate the business office will establish the proper general or student activity fund account to track these funds separately per building.
 - a. Exception 1: Any monies given to either the District or the Foundation in the form of a scholarship or endowment will become the responsibility of the Foundation to administer and will not be passed through to the District.
 - b. Exception 2: Funds received by the Foundation as the result of a primary fundraising initiative will remain under the control of the Foundation with the responsibility to expend those funds on the intended project.

Definitions:

- A. Primary Fundraiser – Any PTO, PTA, PSTO, Booster, qualified 501c3 that are identified as an affiliate group of the ICCSD, or ICCSD Foundation initiative that has a targeted purpose established from the beginning of the fundraiser and there is an expectation of significant community involvement beyond that of just a few individuals or families.
- B. Affiliate Groups – Any PTO, PTA, PSTO, Booster, qualified 501c3 for whom their primary purpose to exist is to support and promote the educational programming and opportunities of ICCSD students and without the District there would be little reason for the organization to continue operations.
- C. Pass-through Funds – Any funds or equipment donated to ICCSD by way of the Foundation where the responsibility of the Foundation is reasonably limited to a simple donor acknowledgement and the transfer of the donation to the District for management. Pass-through funds are subject to the Foundation administrative fee. Donations collected by electronic means will also be subject to typical bank processing fees.

In-building Fundraising Activities Advice

It is recommended that when an affiliate group is considering some type of fundraising activity within the school facility during school hours that the group considers whether or not resources are available within the group to do it. For example, at some buildings the building secretary is being asked to sell T-shirts (or other similar fundraising items) on behalf of the PTO during the day to students and putting these funds in the school safe until a PTO parent picks the money up. At other buildings the staff members are not being permitted to do this. Several issues result from this level of inconsistency. Building principals should consider the following:

1. Once money is received by a district employee these funds become district funds and need to be deposited into a district account as public funds.
2. Keeping monies that belonged to another organization or person on district property on a regular basis is a violation of our district best practice cash handling procedures.
3. Asking or permitting District employees to perform non-district work should not be permitted. District employees who are doing these tasks are taking away from their regularly assigned job responsibilities. Inequities might arise between buildings by permitting this practice.

Things the District can partner with:

1. Provide a location in the building where an affiliate group member can be positioned to carry out the fundraising activity.
2. Ask the affiliate group to work with the District Foundation to develop a fundraising partnership if applicable.
3. Develop an online presence so someone does not need to be at the building to make the sale.

Appendix B
Iowa Gambling License Information

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Social & Charitable Gambling Information

Telephone: (515) 281-6840

Fax: (515) 281-3291

The Social and Charitable Gambling Program administers Iowa Code 99B <https://www.legis.iowa.gov/docs/code/2017/99B.pdf> which regulates games of skill or chance, raffles, bingo, social gambling and amusement devices. Qualified organizations may obtain a social or charitable gambling license to conduct fund-raising activities benefiting educational, civic, public, charitable, patriotic, or religious purposes.

Important Information Regarding Iowa Sales Tax

Gambling receipts are subject to Iowa sales tax, even for non-profit organizations. All taxes are payable to the Iowa Department of Revenue, and should not be submitted to Department of Inspections and Appeals when you file your annual gambling report. More information about taxes on gambling receipts can be found on the Department of Revenue's website URL:

<https://tax.iowa.gov/gambling-games-skill-or-chance-and-raffles>

Online Licensing System (no longer available)

In the past organizations had the option to apply for a license to conduct social or charitable gambling using the [Department's online licensing system](#). This system, however is currently not available to use and the applicant must download and fill out the paper form to apply for the gaming license. Paper copy can be viewed from this site: <https://dia.iowa.gov/food-consumer-safety/social-and-charitable-gambling>

Charitable Gambling License Application

In order to conduct certain types of charitable gambling activities, a qualified organization will first need to obtain a Charitable Gambling License. This URL: <https://dia.iowa.gov/charitable-organizations> describes the various types of licenses available (bingo, raffles, amusement concessions, etc.), as well as the licensing fees and requirements.

Annual Gambling Reports

All Qualified Organizations which have a charitable gambling license must file a report with the Department even if there was no gambling activity during that fiscal year. The Annual Gambling Report covers the period of July 1 through June 30, which is based on the State's fiscal year. The reports are only available to be filed from July 1st through the due date each year, which is July 30th. If July 30th falls on a Saturday or Sunday, then the report is due on the following business day. These reports **may not be filed earlier** than July 1st. To assist Iowans with the annual report please visit this URL: <https://dia.iowa.gov/> which is a guide developed to explain its use, how to access the system, and how to file a qualified organization's annual gambling report. Paper copy annual report form: <https://dia.iowa.gov/document/annual-gambling-report>

