



# NEWCASTLE PUBLIC SCHOOLS

## Sanctioning Application

Pursuant to Oklahoma Statutes Title 70 § 5-129.1, Applicant is hereby requesting to be sanctioned by the Board of Education of Newcastle Public Schools. As a sanctioned organization, funds collected by the Applicant are exempt from statutory controls over school activity funds.

### Applicant Information:

Legal Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Taxpayer ID Number: \_\_\_\_\_

(Valid Federal Tax ID Number only—social security numbers may not be used)

School Year: \_\_\_\_\_

### **Documents to be included with this Application:**

\_\_\_\_\_ Copy of Applicant's current Bylaws including signatures and date approved;

\_\_\_\_\_ Detailed breakdown of the dues structure and requirements for membership  
(May be included in the Bylaws)

\_\_\_\_\_ Copy of IRS determination letter granting 501(c)(3) tax exempt status;

\_\_\_\_\_ Copy of Applicant's most recent Federal Tax return;

\_\_\_\_\_ Copy of the most recent Audit or Financial Report reflecting itemized income and expense  
Entries for the previous year;

\_\_\_\_\_ Copy of Liability Insurance coverage for \$1,000,000 naming Newcastle Public Schools  
as an Additional Insured if Applicant is utilizing the concession stands or hosting events.



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## Sanctioning Application, Page 2

### Officers for Prior School Year:

	President	Vice-President	Treasurer
Name			
Cell #:			
E-Mail Address:			
Mailing Address:			
City, ZIP			
Dates of Term:			

### Officers for Current School Year:

	President	Vice-President	Treasurer
Name			
Cell #:			
E-Mail Address:			
Mailing Address:			
City, ZIP			
Dates of Term:			



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## Sanctioning Application, Page 3

Group of students to be supported by the Applicant: \_\_\_\_\_

\_\_\_\_\_

List intended fundraising activities: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

List intended use of funds generated (goals of the Applicant): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



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## Sanctioning Application, Page 4

### **ACKNOWLEDGMENTS:**

Applicant hereby certifies that it does not and will not discriminate with respect to its benefits, membership, programs, operations or organization on the basis of race, gender, age, religion, national origin or disability.

Applicant acknowledges that the Board of Education has the discretion to sanction or decline to sanction the Applicant. Additionally, the Board of Education may, at any time it believes is in the best interest of the District to do so, choose to withdraw sanctioning. These decisions by the Board of Education are final and non-appealable.

Applicant acknowledges that the Board of Education by and through the Superintendent or designee may, at any time, request the records of the Applicant and Applicant agrees to make those records promptly available to the requestor. Additionally, the Board of Education or its designees may request an independent audit of the Applicant's financial records.

Applicant acknowledges that it is NOT permitted to use the Federal Tax ID Number of Newcastle Schools, that it must use the Applicant's Federal Tax ID Number.

Applicant acknowledges that it is NOT permitted to use the District's Oklahoma Tax Commission Sales Tax Exemption Certificate to purchase products for resale. If Applicant is selling taxable items then Applicant is independently responsible for complying with Oklahoma Tax Commission laws and regulations.

Applicant acknowledges that it has a separate bank account for the organization using the Legal Name and Federal Tax ID Number of the Applicant.

The Sanctioning Application and supporting documentation is due to the Newcastle Administration Office by June 1st (or the next business day) prior to the start of the applicable school year. Application can be hand-delivered or mailed to 101 North Main Street, Newcastle OK 73065.

### **PRESIDENT OF APPLICANT ORGANIZATION:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date



# NEWCASTLE PUBLIC SCHOOLS

## Sanctioning - Frequently Asked Questions, Page 1

### ***What does it mean to be a Sanctioned Organization (“Organization”)?***

Sanctioning by the School District merely enables an Organization to operate for the benefit of students of the School District without being subject to the statutory controls over student activity funds as set forth in the Oklahoma School Code, Okla. Stat. Tit. 70, Section 5-129. The Organization is responsible for complying with all federal and state laws. The School District does not have responsibility to ensure that the Organization complies with those laws unless those laws will impact the District.

### ***Does sanctioning make the Organization tax-exempt?***

No. Tax-exempt status is only granted by the IRS for federal tax purposes and by the Oklahoma Tax Commission for sales tax purposes.

### ***Can an Organization use the taxpayer ID number of the School District?***

No. The Organization is an entity separate from the School District and must use its own taxpayer ID number. Organizations may not use an individual's social security number as its taxpayer ID number. Legally, income would be reportable to the IRS on that individual's income tax return. Also, the bank account would be construed to be owned by that individual and could be seized in the event of a legal or tax judgment against that individual.

### ***Why does an Organization have to provide a 501(c)(3) determination letter?***

For two reasons. First, only donations by individuals or corporations to 501(c)(3) organizations are tax-deductible. This eliminates the possibility that donations might be improperly characterized by donors with negative tax ramifications. Secondly, without the 501(c)(3) designation organizations all profit is reportable as taxable income by the organization.

### ***How does the Organization apply for 501(c)(3) status?***

That is granted by the IRS. Consult [www.irs.gov](http://www.irs.gov) for current guidelines or determine if a national organization exists that can assist a school booster club.

### ***Does tax-exempt status mean that an Organization does not have to file an annual tax return?***

Tax-exempt organizations are required to file an annual information return. Consult [www.irs.gov](http://www.irs.gov) or a tax professional for guidelines.

### ***Why do we have to provide a copy of our Federal Tax Return?***

To verify that the Organization is following federal tax guidelines. The IRS has the power to make the connection between a school fund-raising organization and the District and can assess penalties against the District if it so chooses.



# NEWCASTLE PUBLIC SCHOOLS

## Sanctioning - Frequently Asked Questions, Page 2

### ***Why do we have to provide a Statement of our Financial Activity?***

While Organizations are not under the financial controls of the District, the Organization must still follow state and federal guidelines applicable to schools. Examples are discussed below. The District will review the financials to ensure that guidelines are not being violated that could directly impact the District.

### ***What is Title IX?***

For purposes of sanctioned organizations, Title IX is a federal law that requires equitable spending between male and female sports. For example, Title IX would prevent building a new press box for the baseball team and not one for the softball team. Title IX would prevent purchasing new uniforms for the boys basketball team and not for the girls basketball team. Title IX audits consider all money spent on the school's programs, not just district money. Failing to comply with Title IX guidelines puts all of the District's federal revenue in jeopardy.

### ***Can an Organization pay a District Employee?***

Yes, pursuant to approval by the Board of Education and providing the payment is run through District payroll to withhold appropriate taxes.

### ***Can an Organization provide a District Employee gift cards?***

No. The IRS is very clear that gift cards are considered taxable compensation. Gift cards are not allowed under District policy.

### ***Can an Organization pay non-District Employees for services rendered?***

Yes, but the Organization is responsible for reporting such payments under the federal 1099 guidelines. The IRS can penalize the District for an Organization's failure to properly file 1099s.

### ***Can an Organization provide gift cards to students?***

Yes, as long as the gift cards are not considered a violation of OSSBA's prohibition of compensating athletes. (Example, an organization might have a fund raiser and provide the highest sales person with a \$25.00 Gift Card as a reward. That would be acceptable).

### ***Can an Organization provide payments to students?***

Generally, no. Questions about particular scenarios should be directed to the school administration.

### ***Can an Organization donate items to a particular program?***

Yes, with the understanding that all donations or contributions become the property of the District upon receipt.



# NEWCASTLE PUBLIC SCHOOLS

## Sanctioning - Frequently Asked Questions, Page 3

### ***Why do we have to obtain Liability Insurance?***

We live in a very litigious society. If the Organization sells food at a concession stand and someone swallows a foreign object, or if the Organization hosts a fund-raising event and someone gets hurt, the Organization and the District will get sued. The District has liability coverage but that coverage does not extend to the assets or the members of the Organization. The Liability Coverage is to ensure that all groups are protected.

### ***Can the Organization conduct fund-raising activities during school hours?***

No fund-raising activities will be allowed on District property during school hours without proper notification to and approval from the Superintendent. Students will not participate during regular class periods unless approved by the Superintendent.

### ***Can the Organization use District materials for advertising?***

Not without prior approval from the Superintendent or Superintendent's designee. An example would be using district photocopiers and district paper for flyers.

### ***Can the District use a contribution for something other than what the Organization has requested?***

All monetary contributions from an Organization must be approved by the Superintendent or Superintendent's designee per Board Policy. A part of that approval could be a usage agreement between the Organization and the Board, and the District would comply with that agreement.

### ***Can the District reject a contribution?***

Yes. Because the District must comply with multiple state and federal laws, the District may find it necessary to reject a contribution.

### ***What if an Organization is not Sanctioned or refuses to be Sanctioned?***

The Organization will be prohibited from investing in District-related activities, prohibited from fund-raising on District property and the appropriate District employees will be prohibited from utilizing any funds, donations or contributions from that Organization.

### ***Are there any options for an Organization to avoid all of these requirements?***

Yes. The Organization can operate inside of the District Activity Fund as a District-Sponsored Activity. The Organization would be affiliated with a District Employee and subject to all financial guidelines applicable to other Activity groups. The Organization's funds would be kept in a separate sub-account. The District Employee and the Organization sponsors would collaborate on how to spend the funds.

**SANCTIONING OF ORGANIZATIONS EXEMPT  
FROM SCHOOL ACTIVITY FUND REQUIREMENTS**

District recognizes that the involvement of student achievement programs, parent-teacher associations, and other adult organizations (“Adult Organizations”) are essential to the provision of quality educational services and are vital in fostering the community-school relationship. Adult Organizations exist to promote a positive relationship between the District and the community by assisting and supporting the schools in recognizing and promoting student activities. Therefore, Oklahoma law provides that Adult Organizations and the funds raised by Adult Organizations may be exempt from activity fund procedures and no longer subject to control by the Board as activity funds.

**Sanctioning:** Each Adult Organization which proposes to be exempt from school activity fund requirements shall annually submit to the Superintendent, on or before June 1 of each fiscal year, a completed Application for Sanctioning Exemption from Activity Funds. The Superintendent shall review the Adult Organization’s application and make a recommendation to the Board as to whether the Adult Organization should be sanctioned for exemption from activity fund requirements. At a Board meeting, the Board shall review the Adult Organization’s application and shall sanction or decline to sanction to the Adult Organization. The decision of the Board is final and non-appealable and is applicable only for the fiscal year designated by the Board.

Sanctioning will be contingent on compliance with the following criteria:

A. The Adult Organization must be managed or operated by adults, rather than students, and will present its by-laws and/or constitution to the Superintendent and the Board. These documents will differentiate the Adult Organization from any student organizations and will provide details of their structure including:

- Officers’ names and addresses and their duties;
- Details of the process to elect officers and the length of each officer’s term;
- Purpose and goals;
- Detailed breakdown of the dues structure and requirements for membership;
- A copy of the organization’s most recent audit or financial report.

- B. The organization must comply with all state and federal laws as they pertain to equal opportunity and treatment of all students. The organization shall comply with applicable law, Board policy, any applicable Administrative Regulations regarding School Activity Funds, Title IX and all other state or federal equity regulations. If the Adult Organization refuses to comply with the applicable law, policies, and Administrative Regulations, it shall not be entitled to utilize the District's property or facilities for any purpose.

Once an Adult Organization is sanctioned, close communication will be maintained to ensure that the goals of the Adult Organization is in compliance with the goals and policies of District.

**Indemnification:** The sanctioning of any program, association or organization under this policy by the Board of Education is not intended to reflect any opinion by the Board or any employee of the district that the financial, performance or other records of the program, association or organization are accurate or should be relied on by any person in any manner. Further, the Board of Education and all employees of the district specifically disclaim any and all liability for any obligation, loss of funds, misfeasance or malfeasance of any representative of any program, association or organization sanctioned under this policy.

**Revocation:** The Board reserves the right to revoke the sanctioning of any Adult Organization if it is determined that the operation and purpose are not consistent with the policies and procedures adopted by the Board. Any decision of the Board to withdraw sanctioning is final and non-appealable.

**SANCTIONING OF ORGANIZATIONS EXEMPT  
FROM SCHOOL ACTIVITY FUND REQUIREMENTS**

1. In order to maintain the status of a sanctioned Adult Organization, the Superintendent or the Board may require from Adult Organization, on an annual basis, that a financial audit be performed on the Adult Organization by an independent accounting firm at the expense of the sanctioned Adult Organization. If required by the Superintendent or the Board, the audit shall be submitted to the Superintendent within ninety (90) days of the Superintendent's request. The Board shall review the audit submitted and determine if the Adult Organization is entitled to continue to be sanctioned in accordance with Policy CH and if its funds should continue to be exempt from the statutory controls over student activity funds as provided by Oklahoma law. Otherwise, an annual financial report will be required. The financial report shall be submitted to the Superintendent by July 1 of the year following the year of original approval and every year thereafter.
2. The Superintendent or the Board may, at any time they deem warranted, request copies of any and all records maintained by the Adult Organization. Copies of records must be promptly provided upon request of the Board or Superintendent.
3. No fund raising activities will be conducted on District property, during school hours, without approval from the Superintendent. Students will not participate in fund raising activities during school hours without approval from the Superintendent. Students may participate in selling products and collecting payments for an Adult Organization but must comply with the other provisions of this paragraph.
4. The organization may not use school materials in advertising its activities without prior approval from the Superintendent or Superintendent's designee. Use of school property by the organization for its activities will meet all regulations established by the Board.
5. All funds raised will be used to achieve the stated purposes and goals of the Adult Organization. No stipends or administrative fees will be permitted to officers or members. If the Adult Organization is abolished or ceases to exist, all remaining funds after the financial responsibilities are satisfied shall be deposited into an appropriate activity sub-account of the District.
6. Contributions from an Adult Organization will not be accepted unless approved by the Superintendent or Superintendent's designee. Tangible assets purchased by an Adult Organization shall become the property of the District upon delivery. Such tangible

assets will be under the control of the Superintendent, building principal and/or head coach as appropriate. The District reserves the right to withhold employment or other taxes and to deduct any legally required District contributions from any contribution to the District or a District employee. If an Adult Organization fails to comply with Board policy and regulations concerning contributions to the District, and if such failure results in an increased tax or legal obligation on the part of the District, the Adult Organization shall indemnify the District for such obligation.

7. An Adult Organization shall not make any contributions to District employees directly. An Adult Organization is responsible for filing all appropriate tax forms and withholding all applicable amounts for its own employees.
8. The Adult Organization must maintain bank, financial, and/or tax exempt status separate from the District. The Adult Organization will provide the Board, annually and upon request, a complete set of financial records or detailed treasurer's report.
9. Any plan, project, or movement instituted to expand, modernize, renovate, or render maintenance to school controlled and/or owned properties, or provide academic achievement awards and other education recognition to students or student bodies will be presented to the Board for its consideration, comment, evaluation, approval, and sponsorship. This must be done before any public announcement is made.
10. Once sanctioned, an Adult Organization shall not accept and shall not deposit any check, warrant or money order made payable to the District or any individual school, into the Adult Organization's private bank account.
11. Once sanctioned, the Adult Organization shall require one of its officers to attend training with respect to applicable state and federal laws and basic tax information. The District shall provide this training at no charge to officers of sanctioned organizations.

Adopted: March 12, 2019  
Revised: June 11, 2019



Title 70. Schools

Oklahoma Statutes Citationized

Title 70. Schools

Chapter 1 - School Code of 1971

Article Article V - School Districts and Boards of Education

Section 5-129.1 - Exemptions

Cite as: O.S. §, \_\_\_ \_\_

Those funds which are collected by programs for student achievement and by parent-teacher associations and organizations that are sanctioned by the school district board of education shall be exempt from the provisions as outlined in Section 5-129 of this title. Each school district board of education shall adopt policies providing guidelines for the sanctioning of organizations and associations exempted or applying to be exempted pursuant to the provisions of this section. The guidelines may include but not be limited to examinations of financial and performance audits performed on each such organization and association.

**Historical Data**

Laws 1984, SB 368, c. 296, § 26, emerg. eff. July 1, 1984; Amended by Laws 1993, HB 1313, c. 45, § 2, emerg. eff. April 9, 1993; Amended by Laws 1994, SB 1117, c. 70, § 1, emerg. eff. July 1, 1994; Amended by Laws 1996, HB 2107, c. 99, § 1, emerg. eff. July 1, 1996.

**Citationizer<sup>®</sup> Summary of Documents Citing This Document**

<i>Cite Name</i>	<i>Level</i>
<b>Oklahoma Attorney General's Opinions</b>	
<i>Cite</i>	<i>Name</i> <span style="float: right;"><i>Level</i></span>
<u>1995 OK AG 54,</u>	<u>Question Submitted by: The Honorable Raymond L. Vaughn, Jr.,</u> <span style="float: right;"><u>Discussed at Length</u></span> <u>Oklahoma House of Representatives, District 81</u>
<u>1997 OK AG 6,</u>	<u>Question Submitted by: The Honorable Raymond L. Vaughn, Jr., State</u> <span style="float: right;"><u>Cited</u></span> <u>Representative, District 81</u>

**Citationizer: Table of Authority**

<i>Cite Name</i>	<i>Level</i>
<b>Title 70. Schools</b>	
<i>Cite</i>	<i>Name</i> <span style="float: right;"><i>Level</i></span>
<u>70 O.S. 5-129,</u>	<u>School Activity Fund - Control - Accounts - Disbursements - Petty Cash</u> <span style="float: right;"><u>Cited</u></span> <u>Accounts - Custodian - Bond - Investment of Funds</u>