

Leesville High School Choral Program

Policy Document

Student Activity Account Policy

Effective Date: 9/1/2009

1. Summary of Policy

1.1. Permitted Uses of Student activity accounts

Student activity accounts may be used for:

1. Fair share assessments
2. Assessments for travel on official choral trips
3. Expenses of authorized chaperones
4. Special charges assessed against all choral members

PAB Student activity accounts may not be used to acquire items that remain in the personal possession of any individual – student, student family member, or anyone else – following the student's departure from the choral program. See Section 2.4 for more information.

1.2. Transfers of funds to other organizations

Under no circumstances may funds from a PAB student activity account be transferred to another booster club or to any other organization – profit or non-profit – even if that organization is sponsored by Leesville High School.

1.3. Transfer of funds between student activity accounts

Transfer of funds between PAB student activity accounts of non-related choral members is not permitted. If a student leaves the choral program because of graduation, transfer, or for any other reason, the balance remaining in the PAB student activity account will be transferred to the general fund.

One exception to this policy may be considered by the board: the parent or guardian of the departing student may request that the balance in the PAB student's account be transferred to a sibling or other family member who lives in the same household. The transfer may be made for a current choral member, or for a family member who is expected to participate in the choral program at a future date. The family must specify the date on which the future student will enroll in the Leesville High School Choral Program. The specified date must be within two years of the date on which the request is made. If the student has not enrolled in the choral program by the specified date, the excess funds will be released to the general fund.

See Section 2.7 and 2.8 for more information.

1.4. Raising funds for the account of another student

Normally, all funds raised during PAB Club sponsored fund-raising activities are posted to the account of immediate family members of the fund-raiser. Funds raised may be posted to the account of a non-family member, but only if the designation is made before the funds are raised or before the fund-raising work is actually performed. See Section 2.8 for more information.

2. Additional Background

2.1. Purpose of the PAB Club

The function and the purpose of the PAB Club is to provide supplementary resources, both financial and non-financial (such as volunteer hours, expertise, and leadership), to help the Choral Program at Leesville Road High School accomplish its educational goals. The Choral Program requires substantial additional funding for items such as instrument purchases, music, supplemental instruction, repairs, and performance expenses which typically exceeds the budget provided by the Wake County School System. Therefore, the Club has accepted the responsibility for providing ways and means by which this funding can be accomplished.

2.2. Tax-Exempt Status

The Leesville High School PAB Club is organized as a tax-exempt 501(c) 3 entity. As such, all funds raised through fundraising activities are exempt from income tax, sales tax, and payroll taxes. The regulations and legislation governing the use of tax-exempt funds specify that charitable donations are made "to or for the use of a qualified organization" – not for the use of any individual. **Therefore, the Leesville High School PAB Club owns all funds resulting from fundraising activities. The individuals who raised the funds do not own or control the funds.** Ownership privileges would include the right to make decisions about the use of funds. IRS regulations state: "the test (of tax-exempt status) ... is whether the organization has full control of the donated funds ... to ensure that they will be used to carry out (the organization's) functions and purposes."

2.3. Budgeting and Fair Share

The expenses required for the Choral Program are relatively stable from year to year and generally are not discretionary. Therefore, the PAB Club has established a financial policy which first forecasts expenses and then determines fundraising goals, rather than determining spending levels after the results of fundraising activities are known. The PAB Club, therefore, determines a budget and then divides the net expenses equitably among all who benefit. This division of expenses is known as "fair share". In addition to fair share, Intermediate and Capital Pride choruses take at least one major trip each year, which can also be funded by fund-raising activities. Fair Share must be paid in full before any requests for reimbursement will be considered – exceptions can only be made by Mrs. Covington with PAB Board approval.

2.4. PAB Student activity accounts

To make it possible for families to meet fair share and other expenses, and to ensure that all students can participate in choral activities, the PAB club organizes and manages fundraising activities for students and their families. Funds raised are equitably divided among participants according to a measure of their involvement in the activity: hours worked, items sold, or other measures as determined by the fundraising chairperson.

The PAB student accounts chairperson keeps a record of fundraising dollars "raised" by the student, the student's parents, or others to meet fair share and other financial obligations. This record begins the date that the student enters the choral program and ends on the date that the student leaves the choral program for any reason (graduation, transfer to another school, or other reason). Carryover of excess fundraising balances is permitted from year to year as long as the student remains in the choral program. If sufficient funds have not been raised to pay the amounts owed to the PAB Club, students and families may 1. Pay the balance due with cash or check, or 2. Apply to the PAB Club scholarship fund for financial assistance.

Fair Share is due by the date(s) determined by the Executive Board but not later than December 1st. Should a student enroll in the choral program after the first semester of classes one half of the fair share amount will be due by the end of the first month of enrollment.

2.5. Contributions to PAB Student activity accounts

Additions to PAB student activity accounts may be made in any of the following ways:

1. Allocations from fundraising activities
2. Grants from a scholarship fund
3. Transfer of balance from other family member
4. Cash contributions

2.6. Deductions from PAB Student activity accounts

Deductions from PAB student activity accounts may be made to satisfy charges allocated to the student for choral activities. These charges include assessments for fair share, or other choral program function expenses. Occasionally, the PAB Club Board may authorize payment from PAB student activity accounts for other expenses allowable as authorized choral expenditures. These additional expenditures must be for items which have broad applicability to the choral program and do not have a significant personal use characteristic.

PAB Student activity account funds may be used to cover expenses for chaperones when these expenses are authorized and necessary for choral activities. Deductions may not be made for expenses of persons not performing official duties for the choral program as authorized in advance by the PAB Club or its board of directors.

At no time may students or their families direct the treasurer or PAB student accounts chairperson to disburse funds to them or on their behalf unless: Expenditure is authorized by the PAB Club or its board of directors. The PAB Club and its board of directors at no time should authorize reimbursement of individual expenses unless the business purpose of such expenditures is clearly documented and such expenditure is authorized in advance.

At all times, the guiding principles for authorization of expenditures should be adherence to tax regulations regarding allowable business expenses and consistency with accomplishing the stated goals of the PAB Club and the associated chorals programs. In summary, expenditures from PAB student activity accounts are to be made using the same standards regardless of the balance held by the account and/or the owner of the account.

All requests for reimbursement must be submitted before June 30th.

2.7. Balances in PAB Accounts of Graduating or Departing Students

Should a student, or the student's family, raise more funds than necessary to fulfill the student's fundraising obligation, the excess funds can be transferred to another family member who is either enrolling or currently enrolled in the choral program for use on future choral financial assessments.

At all times, participants in fund-raising activities should understand that the purpose of those activities is to benefit the choral program at Leesville Road High School. **Use of funds to provide personal benefit is not permitted. Bartering or other trading of favors or funds with respect to account balances in PAB Club student accounts is not permitted by the tax code.**

2.8. Fundraising for Non-Related Students

From time to time, students or their families may wish to contribute to the fundraising efforts of other choral members who are not in the immediate family of the fundraiser. This is allowed as long as the following guidelines are followed:

1. The fundraiser declares to the record-keeper for the event that the fundraiser is working for a non-family member. Such declaration must be made before the fund-raising event starts. If no declaration is made, it is assumed that the fundraiser is working for the account of an immediate family member.
2. Details of the amount and source of funds credited to the account of a non-related choral member will not be reported to the recipient, but will be reported to the treasurer, PAB student accounts chairperson, fundraising chairperson, or event coordinator as appropriate.

2.9. PAB Student Account Records

The PAB student accounts chairperson should maintain records on all contributions and distributions from PAB student accounts for a minimum of five years. At no time is the PAB student accounts chairperson authorized to transfer amounts between students without the authorization of the executive board unless the transfer is to correct a data input error.

3. Uniforms

3.1. Reimbursement for Student Uniforms

All uniforms are purchased by the individual choral student or their family. Students may request reimbursement from their PAB student accounts if the following criteria are met:

1. Fair Share has been paid in full.
2. The student has sufficient funds available for reimbursement.
3. The uniform has been used solely for choral purposes.
4. The uniform is in performance condition – determined by the PAB uniform representative.
5. ***At the time of reimbursement, the uniform becomes the property of the PAB Club. The uniform must be returned to the PAB Club at the end of each academic year or when the student leaves the choral program for any reason (graduation, transfer to another school, or other reason).***

See Section 2.2 for more information.

Reimbursement of women's uniforms includes only Beginning, Intermediate and Capital Pride dresses. There is no reimbursement for shoes or panty hose.

Reimbursement of men's uniforms includes tuxedo shirts, tuxedo pants, tuxedo jackets (Capital Pride only) and all accessories associated with the tuxedo including: black bow tie, black cummerbund, cufflinks and studs. There is no reimbursement for shoes or socks.

Uniform reimbursement will only occur when the uniform and all of its accessories have been turned in at the end of the year or when the student leaves the choral program for any reason (graduation, transfer to another school, or other reason). **No reimbursement checks will be issued until the above criteria (3.1 1-5) has been met.**