

WORTHINGTON CITY SCHOOLS
SUPPORT ORGANIZATIONS HANDBOOK



JEFFREY S. MCCUEN, TREASURER

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INTRODUCTION

One of the factors that contribute greatly to the quality of programs within the Worthington School District is the tremendous support given to these programs by the parents and supporters of the participants. The Board of Education and administration recognizes and appreciates the efforts of all organizations whose objectives are to enhance the educational, extra-curricular, and athletic experiences of our students. These groups provide an effective way to channel community energy into tangible support that can truly enrich the educational experience of students.

Although independent, it is necessary that the support organizations and school officials develop a harmonious relationship to ensure both parties maximize their potential to the benefit of the students. Therefore this handbook, which is a collection of required forms, registrations, insurance information, and best practices, was developed to assist presidents, treasurers, and members navigate the waters of organizing and managing a successful school support organization. District staff members are available to help answer any questions you may have. Below are some key district contacts. We hope this document is helpful andTHANK YOU FOR YOUR CONTINUED SUPPORT!!!!

Building	Name	Title	Phone	Email
Education Center	Jeff McCuen	Treasurer	450-6127	JMcCuen@wscloud.org
Education Center	TJ Cusick	Assistant Treasurer	450-6171	TJCusick@wscloud.org
Education Center	Bryan Cottrill	Accountant	450-6128	BCottrill@wscloud.org
Bluffview	Cindy Fox	Principal	450-5105	CFox@wscloud.org
Brookside	Jenny Wielinski	Principal	450-5305	JWielinski@wscloud.org
Colonial Hills	Sherri Berridge	Principal	450-5405	sberridge@wscloud.org
Evening Street	Mary Rykowski	Principal	450-4405	MRykowski@wscloud.org
Granby	Patti Schlaegel	Principal	450-4505	PSchlaegel@wscloud.org
Liberty	Craig Belair	Principal	450-5205	CBelair@wscloud.org
Slate Hill	Elizabeth Audette	Principal	450-5005	EAudette@wscloud.org
Wilson Hill	Dan Girard	Principal	450-4805	DGirard@wscloud.org
Worthington Estates	Rob Messenheimer	Principal	450-4605	RMessenheimer@wscloud.org
Worthington Hills	Allie Seiling	Principal	450-4705	ASeiling@wscloud.org
Worthington Park	Jen Young	Principal	450-5505	JYoung@wscloud.org
Sutter Park	Tricia Hosking	Principal	450-4905	THosking@wscloud.org
Kilbourne Middle	Greg Garris	Principal	450-4205	GGarris@wscloud.org
McCord Middle	Michael Kuri	Principal	450-4005	MKuri@wscloud.org
Phoenix Middle	Sean Flynn	Principal	450-4105	SFlynn@wscloud.org
Worthingway Middle	Nathan Kellenberger	Principal	450-4305	NKellenberger@wscloud.org
Thomas Worthington	Pete Scully	Principal	450-6205	PScully@wscloud.org
Thomas Worthington	Jen Goebbel	Director of Athletics	450-6225	jgoebbel@wscloud.org
Worthington Kilbourne	Aric Thomas	Principal	450-6405	AThomas@wscloud.org
Worthington Kilbourne	Jeff Todd	Director of Athletics	450-6425	Jtodd@wscloud.org
Worthington Academy	Sean Flynn	Principal	450-4105	SFlynn@wscloud.org
Linworth Alternative	Chris Hasebrook	Teacher-Director	450-6900	CHasebrook@wscloud.org

DEFINITION OF A SUPPORT GROUP

A group will be considered a support group and subject to the support group guidelines when a group of people wish to elect officers, set-up a treasury, and organize to support a school sponsored co-curricular activity.

Support Organizations, otherwise known as Booster Groups, Parent Teacher Organizations, etc., are **separate legal entities** from the Board of Education. The board does not control or sponsor these organizations and is not responsible for the group's operations or fiscal integrity.

If however, the organization has chosen to adopt a name that incorporates some form of the school district's official name, the group's actions may reflect on the reputation and integrity of the district. A school district's name is recognized by the State of Ohio as the legal name of that district and as a result, the Board may claim exclusive rights to and control the use of the names associated with it and its buildings. The Board has adopted policy 9211 governing relationships with support organizations.

Cards and Wolves Inc. - Most athletic support organizations at Worthington's two high schools are organized under one of two "parent" organizations, Wolves Inc. or Cards Inc., and therefore must utilize and follow the parent organization's rules, bylaws, and policies. Additional information about Cards and Wolves Inc. can be obtained from the athletic directors in each building.

CONSTITUTION AND BYLAWS

Each group should adopt a constitution or set of by-laws to govern its organization, membership, activities, and financial accountability. Such constitution or by-laws, and any amendments to same, shall be available for inspection by the District. District employees should not have a leadership role in support group organizations, and the policy specifically prohibits them from holding the position of treasurer or handling funds.

A group may, but is not required to, establish membership requirements and dues, provided, however, that no student shall be excluded from participation in a co-curricular activity because dues were not paid to, or membership secured in, the group.

School district facilities may be used for group meetings or other activities, and a fee for such use may be charged by the school district in accordance with the policy of the Board of Education.

PROPER ESTABLISHMENT PROCEDURES

Obtaining an Employer Identification Number

As separate legal entities, resources including bank accounts and Employer Identification Numbers (EIN) cannot be shared between the support organizations and the District. Organizations must obtain their own unique federal EIN. This can be done through the IRS by filling out form SS-4. The form and instructions are located on the IRS website.

Filing with the Secretary of State

A common and suggested first step is to draft and file articles of incorporation with the Ohio Secretary of State's Office. The articles must describe the purpose of the organization, list names and addresses of directors, and name a contact person. Forms and explanations can be found at www.sos.state.oh.us.

Also, a code of regulations must be developed to outline the various processes, procedures, and rules that will govern the organization. This document states the duties of officers, rights of members, budget processes, and other governance issues. Care must be taken when drafting these documents as they will serve as the primary resource when seeking tax-exempt status from the IRS as discussed later in this handbook.

After initial filing, the organization must file a Statement of Continued Existence every five years with the Secretary of State, verifying the organization is still actively engaged in its work and to keep the State informed of any address or statutory changes.

Tax Status and Structure

A support organization may be taxable or tax-exempt. Assuming that the organization wants to be exempt from federal income taxes, it may qualify as either a 501(c)(3) charitable organization or a 501(c)(4) social welfare organization. The main difference is that contributions to 501(c)(4) social welfare organizations are rarely deductible by the donor while 501(c)(3) contributions are tax deductible. Therefore most PTO, PTA, and Booster Groups seek to obtain 501(c)(3) status and the District encourages this structure when possible.

What is a 501(c)(3) Charitable Organization?

An educational support organization qualifies as a 501(c)(3) organization if:

1. It is organized and operated exclusively for educational purposes
2. None of the organization's net earnings "inure to the benefit" of a private individual or shareholder (i.e., result in a benefit of a particular individual); and
3. The organization does not lobby on political candidates (another main difference compared with 501(c)(4) status. (Note you can expend up to 5% of annual revenue on a political "issue", such as a levy campaign.)

If the group obtains 501(c)(3) status, it will be further classified either as a public charity or a private foundation. Unless the group is classified as a public charity, it will face significantly more reporting requirements and restrictions. Therefore, most support organizations will want to seek public charity status, which requires one of the following:

- Demonstrate the group is normally supported by relatively small contributions from the general public (as opposed to most of its contributions from a small group of donors); or
- Demonstrate that the group is organized and operated to support the school district and has a close working relationship with the district.

How to obtain Tax-Exempt 501(c)(3) status?

The organization must file form 1023 with the IRS. A filing fee is required. The IRS will then issue a determination letter recognizing the group as a tax-exempt organization if the application is approved. A copy of Form 1023 and instructions are available on the IRS website. Organizations are highly encouraged to safely retain and file their letter of determination since this is an extremely important document.

Registering with the Ohio Attorney General's Office

In Ohio, under the provisions of the Ohio Charitable Trust Act, the authority to regulate charitable organizations rests with the Attorney General's Office. Please note that in the past, school support organizations with assets or receipts less than \$25,000 may have been exempt from registering and filing with the attorney general's office. Beginning in 2012, THIS IS NO LONGER THE CASE AND **ALL CHARITABLE ORGANIZATIONS SHOULD SET UP A USER NAME ONLINE WITH THE ATTORNEY GENERAL'S OFFICE**. As discussed later, certain organizations may be exempt from the annual filing, but all should initially register. Once you create the account, the organization can then click on the request exemption form to get an official letter of exemption from the AG. This will also allow the organizations name to show up on the approved charitable database system for public viewing.

The AG's office implemented an online charitable registration system December 31, 2011. This can be accessed on the attorney general website at www.OhioAttorneyGeneral.gov/CharitableRegistration and select "file online". Representatives can also assist from their office at 1-800-282-0515 or emailed at charitableregistration@ohioattorneygeneral.gov. They may ask you for your IRS determination letter, articles of incorporation, or last year financial reports and/or 990 so I would recommend having those on hand when you go to register. You should go ahead and create a user name and register your organization. The first filings will not be due until the 15th day of the 5th month of the close of your next fiscal year, which is discussed later in the annual filings section.

The Attorney General Charitable Registration User Guide is included at the end of this document for your reference.

District Registration and Notification

Organizations must comply with Board of Education policy 9211, which includes maintaining a good working relationship with the respective school building administrator and ensuring adherence to the various aspects of the policy. The policy is available on the website and included in this handbook.

ANNUAL FILING REQUIREMENTS

Federal Requirements

Generally speaking, even though 501(c)(3) organizations are exempt from income tax, it must file an information return with the IRS, form 990. Depending on income and total asset thresholds, the following chart illustrates what form to file:

Gross Receipts >=\$200,000						
OR					Form 990	
Total Assets >= \$500,000						
Gross Receipts <\$200,000						
AND					Form 990-EZ	
Total Assets < \$500,000					Or Form 990	
Gross Receipts normally <= \$50,000					Form 990-N E-Postcard	

Please note that failure to file one of the above forms for three consecutive years automatically revokes the tax exempt status of the organization. See <http://www.irs.gov/Charities-&-Non-Profits/Automatic-Revocation-of-Exemption> for more information. The applicable 990 form is due on the 15th day of the 5th month following the close of the organizations year end. (Due May 15 for Dec 31 year ends and due November 15 for June 30 year ends)

Form 990, 990-EZ, and 990-N are located on the IRS website. Due to length, instructions for the forms are not included but can be found at www.irs.gov. Further guidance on annual federal filing requirements can be found at <http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations>.

Unrelated Business Income

Unrelated business income (UBI) is income from a trade or business, regularly carried on, that is not substantially related to the charitable, educational, or other purpose that is the basis of the organization's exemption (as stated on Form 1023). If an organization has \$1,000 or more in UBI it must file form 990-T. Consult a tax professional if you need assistance.

State Requirements

Once groups are properly registered through the Attorney General's online charitable registration system (as discussed earlier) and have an account set up, they can log in and check the "to do list" that will show them what, if anything, still needs to be filed. Users can also enter email addresses so officers can get reminders of filing requirements.

Filing requirements and any filing fees are variable depending on the organizations activities, assets, and receipts for the year, so following the online "to do list" will walk you through the process and any further requirements. The system will ask you a series of questions to help you determine if you need to upload your federal 990 and/or complete the annual financial report. It will also notify you of the appropriate annual filing fee due, if applicable.

Please visit <http://www.ohioattorneygeneral.gov/Business/Charity> for further information.

State Sales Tax

Sales TO the organization are exempt from Ohio sales tax so long as no part of the net earnings inures to the benefit of an individual and no substantial part of the activities consists of carrying on propaganda or attempting to influence legislation.

Sales BY the organization are also exempt under Ohio law HB119 from withholding sales tax, and the six day limitation was removed starting July 1, 2007.

District Requirements

Annually each organization should inform the respective building administrator who the elected officers are. The organization shall permit the Board to review all financial books and documentation upon request and must produce the following documents upon request:

- IRS determination letter of good standing as described in section 501c3
- Articles of Incorporation and Bylaws and any amendments to such documents
- A current list of names, addresses, and titles of each office

All subgroups organized under Wolves Inc. or Cards. Inc. should provide detailed financial information necessary for the parent organization to complete its annual filing requirements. While the District does not require copies of annual 990 forms be sent to the Treasurer's office, failure by subgroups to complete annual tax filing requirements could result loss of tax-exempt status, loss of liability insurance coverage extended by the District, and IRS fines. Therefore it is important, especially if the role of Treasurer changes over, to ensure information and status related to tax filings is transferred as well.

INSURANCE

Since support organizations are separate legal entities and are not governed by the Board of Education, each organization should take actions to avoid, limit, and protect against risks through the purchase of insurance.

The District's insurance policy through the Ohio School Plan extends only **GENERAL LIABILITY** coverage to those organizations listed on the policy as Adult Support Groups. Therefore you should check with the Treasurer's office to ensure your group is listed, especially if you recently formed and have not notified us. A copy of currently covered listed groups is in the appendix. This General Liability covers damages because of bodily injury, property damage, personal and advertising injury and sexual abuse injury to third parties.

Because of this insurance extension, it is important that District administrators are aware of what activities the booster groups are involved in and especially any contracts that booster groups are entering into. If a booster group signs any type of contract it is important to forward a copy of that contract to the treasurer's office so that it can be reviewed by our insurance provider to ensure proper general liability coverage. It is very important that no group enter into a contract that includes language that waives the District's rights, often known as "hold harmless" contracts.

In addition to General Liability coverage, it is recommended that support organizations consider purchasing the following other types of insurance:

Surety Bonding or Theft Coverage – to cover loss of funds to embezzlement and the like;

Directors & Officers Liability – to cover personal liability of the officers and directors for their legal responsibility serving the organization; and

Property (if applicable) – to cover loss of property/assets of the organization, such as damage to facilities owned or rented, and equipment/inventory related to fundraising programs

Since groups are separate legal entities, the District's coverage for surety, Directors and Officers, and property cannot be extended to these groups. They need to be purchased separately by the organization. One of the common concerns of late has been the misuse of booster clubs funds. This is why it is highly recommended that each organization at a minimum purchase a surety bond to cover this type of loss.

FUNDRAISING & ACCOUNTABILITY

The following section is meant as a best practices guide for our support group organizations to follow. It is by no means all inclusive, and unless specifically stated, support groups are not required by the District to follow all of these recommended best practices.

Communication with District

Before commencing in any fund-raising activities, the group is encouraged to communicate with the respective building administrator it's budget, the type and purpose of the fundraiser, and the intended use of the profits. This will help to guard against multiple groups, as well as the District itself, performing the same fundraisers at the same time. It will also help inform the District what the profit will be used for and ensure it is in accordance with District plans and policy.

- Funds received by a group fund-raising activity shall be accounted for in accordance with proper internal controls to safeguard funds. If ordering any type of product, coordination of delivery and storage is the responsibility of the group, and invoices need to be made out to the group, not the school district;
- All advertising and concession sales must be in accordance with Board policy and should be communicated with the building administrator;
- No group fund-raising activity shall involve any form of gambling prohibited by local or state law;
- Door-to-door solicitation by students should be properly supervised at all times;
- All solicitations should comply with any applicable local laws or regulations governing door-to-door solicitation;

Developing Internal Controls

Developing internal controls – written policies and procedures- and ensuring that they are being followed are some of the most important duties of board members. Reviewing monthly bank reconciliations, requiring dual signatures on checks, reviewing and following budgets, and performing and reviewing internal audits are a few of the steps that can be taken to help mitigate risks. When developing policies, it is important to focus on the processes, not the individuals or their perceived trustworthiness.

Receipts

General Procedures

All monies received by the organization should be deposited as soon as possible with the respective bank to lessen the potential for theft. Deposits should have copies of all checks attached to the deposit slip so that proper coding and verification can be done. When possible,

the monthly bank reconciliation should be done by someone other than the treasurer, who would then provide a copy of the reconciliation, monthly receipt ledger, and bank statement to the officers for review. In addition, a second officer other than the Treasurer should have access to electronic banking to have the ability to see balances and run reports.

Every effort should be made not to have support group funds sent with students to school, since District employees should not be handling support group funds. When necessary, all support group funds received or collected at the school should be put into the support group's safe and claimed by the group's treasurer as soon as possible. **Support group funds must never be commingled with District funds.** This will result in discipline for the employee.

Consider limiting the use of cash. While this is not often possible for many organizations, steps can be taken to limit the number of persons actually handling cash, such as selling tickets at a centralized location and having all vendors or booths take tickets for payment instead of cash.

Before commencing fund-raising activities, the group should prepare a budget to identifying sources of revenue and expenses. Upon completion of the fund-raiser, officers should compare actual receipts and expenses to budgeted receipts and expenses, as this will help illustrate potential discrepancies.

Contributions must not Benefit Individuals

One of the IRS qualifications of being a 501(c)(3) organization discussed earlier is that none of the organization's net earnings "inure to the benefit" of a private individual or shareholder. This means that in no way can the organization credit individual's sub accounts for fund raising activities or donations. On June 27, 2011, the Department of Treasury issued further clarification by stating the following:

Crediting of Fundraising Amounts Constitutes Private Benefit

If a booster club confers a benefit on a participant in return of their fundraising activities, such as by crediting amounts raised by a participant toward that participant's dues requirement, or by crediting amounts raised against the cost of a trip, the booster club is providing a private benefit to that participant. Consequently, such practices could result in the organization failing to be described in section 501(c)(3).

Income from Services

It is also possible that amounts credited to a participant's account due to fundraising would constitute income from services and could result in employment taxes.

This means student participation on athletic teams or co-curricular activities must be independent of any fund raising activities, and that participation in fundraising events, or lack thereof, cannot impact student participation. No group can mandate a participant, or their family, to join a support organization.

Publication 4221-PC, *Compliance Guide for Public Charities*, further states that a public charity is prohibited from allowing more than an insubstantial accrual of private benefit to individuals or organizations. This restriction is to ensure the tax exempt organization serves a public interest, not a private one. The IRS defines insubstantial in publication 1771 as the lesser of 2% of the amount received or \$96. A common occurrence is to award fundraising participants a t-shirt, or to enter them into a raffle to win a prize. We encourage our organizations to use caution when doing this, and to consult publication 4221-PC and the IRS for guidance, as this could jeopardize the organization's tax exempt status. A single nominal gift card of \$50 awarded as part of a raffle pool of all participants involved in a \$5,000 fundraiser probably will not jeopardize tax exempt status, since it is both below \$96 and 2% of total funds raised in that event. However, a situation in which participants get their hat if they raise \$50, and their socks if they raise \$100, may be in violation, as individuals are directly benefiting from tax-exempt contributions to the organization. Please use caution and common sense and consult the IRS, your respective Cards or Wolves Inc. board member, or a tax attorney if there is any doubt.

Acknowledgement to Donors

First, determine the amount of the donation. Any contribution of more than \$250 must be acknowledged in writing by the organization or the donor cannot claim a tax deduction. In addition, any contribution of more than \$75 for which the donor received goods or services ("Quid pro quo contributions") must also be acknowledged.

The acknowledgement should contain the following:

1. Name and Address of organization
2. Donor's name and address
3. Amount of cash contributed
4. Description (but not value) of any non-cash items contributed
5. Either:
 - a. Statement that no goods or services were provided by the organization in return, if that was the case, or
 - b. Description and good faith estimate of the value of goods or services provided

Exceptions to quid pro quo rules:

- 1) Token Exception – Insubstantial goods or services do not have to be described in acknowledgement
 - a) Insubstantial if it occurs in the context of a fundraising campaign and:
 - i) FMV of benefits does not exceed the lesser of 2% of the payment or \$96, or
 - ii) The payment is at least \$48, the only items bear the organizations name or logo (calendars, mugs), and the cost of items is less than \$9.60 (2010)
- 2) Membership Benefits Exception – considered insubstantial if annual payment of \$75 or less and consists or privileges such as free/discounted admissions, discounts, free parking, etc.

Failure to provide donors with written notification for quid pro quo contributions can result in a penalty to the charitable organization.

See IRS publication 1771 for more information on donor acknowledgement and IRS approved examples of acknowledgement language.

In addition, if the organization sells certain contributed property valued at \$5,000 or more within 2 years, the organization must file form 8282 reporting the sale to the IRS.

Expenditure Procedures and Recommendations

All expenditures of the organization should be related to its overall mission and purpose as outlined in its organizational documents. Assuming the expenditure meets that purpose, the following guidelines should be followed:

1. Require Dual Signatures – either on all checks or above a certain amount – can provide some measure of control. Avoid selecting candidates who are family members, close friends, or related by supervisory structure.
2. Reconcile Bank Statements to ledger balances monthly, ideally by someone other than an authorized signatory, and present at PTA meetings for review. Also consider having bank statements sent to 2 addresses and allow for 2 persons to have electronic banking access to reduce the risk of tampering.
3. Set and follow budgets. Provide budget expense updates at monthly meetings, explaining any discrepancies. Also review fund raiser approval forms of budgeted expenditures compared to actuals.
4. Establish written reimbursement policies. Preapproval of expenses should be encouraged, and reimbursement requests must be accompanied by itemized receipts. Avoid writing checks to “Cash”. Any debit card or purchasing card use should be limited to the Treasurer so that most items are preapproved.
5. All documentation, including reconciliations, statements, and canceled checks, should be filed monthly for audit purposes.
6. Perform a yearly audit to review controls and or financial statements and consider using a qualified CPA firm to prepare annual federal and state tax filings.
7. Consider insurance coverage outlined earlier.

Compensation to School Employees or Volunteers Not Allowed

The designation or employment of a coach or advisor is the exclusive responsibility of the Board of Education and the administrative staff. A coach or advisor shall be accountable to the building principal/designee. Consistent with this regulation and on behalf of the school district, the coach or advisor shall provide support, guidance, and assistance to the group.

Ohio Ethics Opinion 2001-04 and 2008-01 clarified that Ohio Ethics Law Chapter 102, and specifically Ohio Revised Code 2929.42-43, prohibit any school district employee or board approved volunteer from being compensated in any manner by District support organizations. Except for a modest non-cash gift of appreciation, a coach or advisor shall not receive anything of value, directly or indirectly, from the group. Compensation includes travel, meals, lodging, or gifts of substantial value. While the ethics commission has remained silent on defining “substantial” value, based on other authoritative bodies, we believe that gifts of a fair market value less than \$50 would be considered to be of nominal value.

A group which desires to make a contribution, in any form, to the co-curricular program which it supports or to the school district, shall make such desire known to the Board of Education through the Athletic Director. The Board of Education will accept and recognize the contribution.

We have included Ohio Ethics Commission opinions 2001-04 and 2008-01 in appendix H of this document and encourage any organizations seeking clarification to contact the commission at www.ethics.ohio.gov

STUDENT PARTICIPANT RECOGNITION

A major purpose of each support group is to recognize the accomplishments of students whose purpose they serve. To that end, each group is encouraged to appropriately recognize those accomplishments through awards in accordance with the group's guidelines. Group recognition events shall be planned so as to permit the attendance of a participant student's family and friends without unreasonable expense in doing so. Groups are urged to take advantage of school facilities.

ADDITIONAL RESOURCES AND BEST PRACTICES

WWW.PTOTODAY.COM PTO TODAY

Great source of information and best practices including excel budget templates

WWW.PARENTBOOSTER.ORG PARENT BOOSTER USA

<http://www.ohioattorneygeneral.gov/Business/Charity> OHIO ATTORNEY GENERAL

<http://www.irs.gov/EO> INTERNAL REVENUE SERVICE EXEMPT ORGANIZATIONS

www.ethics.ohio.gov Ohio Ethics Commission



OHIO CHARITABLE TRUST ACT INFORMATION SHEET

(Sections 109.23-.33, Ohio Revised Code)

REGISTRATION

The term “trust” is broadly defined to include any 501 (c)(3) tax exempt organization or any 501 (c)(4) charitable healthcare organization. Every charitable trust established or active in this state is required to register with the Attorney General's Charitable Law Section. Exemptions from registration are described in Attorney General Rules 109:1-1-02(B)(1)-(8) and can be found on the Charitable Law website. The Charitable Trust Registration Form (CFR-1) is to be filed, along with a copy of the instrument creating the organization and a copy of the Internal Revenue Service determination letter of exempt status. Any subsequent amendments to these instruments must also be filed with the Attorney General.

ANNUAL REPORT

Each organization subject to registration shall also file an annual report with the Attorney General for each calendar or fiscal year in which it has gross receipts of more than \$5,000 or gross assets of more than \$15,000. The report shall be either the Annual Report of Charitable Organization form if the organization does not file a 990, complete copies of all annual federal returns required to be filed by the organization with the Internal Revenue Service and all attachments, (excluding the donor list), or the Verification of Filing with the Internal Revenue Service form, as required by Attorney General Rule 109:1-1-04(A)(1)-(3). All annual reports are required to be filed with the Attorney General on or before the fifteenth day of the fifth month following the close of the organization's taxable year, or **by the due date of any federal extension.**

FILING FEES

The following fees are due with the annual financial report:

<u>Assets</u>	<u>Fees</u>
Less than \$25,000	\$ -0-
\$25,000 but less than \$100,000	\$ 50
\$100,000 but less than \$500,000	\$100
\$500,000 or more	\$200
Late fee	\$200

The term “assets” refers to the total current value of the trust’s assets which are irrevocably devoted to charitable purposes at the end of the taxable year. Please note that any charitable trust that fails to pay this fee at the time required shall pay an additional fee of two hundred dollars. Any fee owed is not due until the federal due date. We honor all federal extensions. Checks are to be made payable to ***"Treasurer, State of Ohio."***

Always refer to your registration number when corresponding with this Office. Send all registration forms, annual financial reports, and fees, and direct all questions and correspondence to:

**Ohio Attorney General
Charitable Law Section
150 East Gay Street, 23rd Floor
Columbus, Ohio 43215-3130
(614) 466-3180**

ONLINE CHARITABLE REGISTRATION *Info Sheet*



MIKE DeWINE
OHIO ATTORNEY GENERAL

www.OhioAttorneyGeneral.gov

Charitable Law Section
150 E. Gay St., 23rd Floor
Columbus, OH 43215
800-282-0515



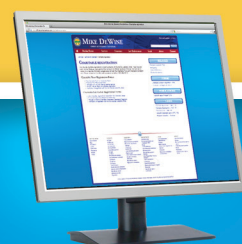
New Online Charitable Registration System Launched Dec. 1



The Ohio Attorney General's Office introduced an online registration system Dec. 1, 2011, to streamline the annual filings of organizations and charities that solicit in the state. The system — designed to be intuitive and user-friendly — will enhance transparency and accountability within the charitable sector.

The new approach to registration affects groups required to file under the Ohio Charitable Trust Act, outlined in Ohio Revised Code (ORC) Section 109.23-.33, and the Ohio Charitable Organizations (Solicitation) Act, ORC 1716.

With this development, Ohio will eliminate a paper-based system.



Special Features of the New System

For the first time, charities will receive:

- E-mail notifications of filing deadlines
- Changes in organizational information
- Invoices for fees due
- Confirmations of filings

Charities also will be able to direct potential donors to the Attorney General's website to confirm that the organization is in compliance with registration requirements. None of this was possible with the paper-based system.

How to Get Started



Representatives from each charity will need to create an account. To do so, visit the Ohio Attorney General's website at www.OhioAttorneyGeneral.gov/CharitableRegistration and select "File Online."

Each person who uses the online system or wants to receive the automated reminder and confirmation e-mails must create an account. Users can be connected to multiple organizations, enabling lawyers, accountants, and others to stay in the loop for several organizations.

The Attorney General's Office recommends at least three people from each organization have accounts in the system to ensure multiple representatives receive important notifications.

After an account has been established, the first user with each group needs to provide organizational details and information. The system is designed to display data already on file for registered organizations.

Information Needed to Complete the Filing



The system poses questions to the organization representative and, based on that person's responses, determines what information is needed to ensure proper compliance. Much of the information can be drawn from an organization's Internal Revenue Service (IRS) 990 form, such as the listing of board members, revenues, assets, and program and total expenses. It is helpful to have the IRS 990 form handy when responding.

If organizations have never registered or filed in Ohio before, additional documents will need to be uploaded or mailed to the Ohio Attorney General's Office. Documents required to complete the registration process include: articles of incorporation, bylaws or governing documents, and a federal tax exemption determination letter from the IRS granting tax-exempt status. The system will provide additional guidance about documents required for registration.



Determining an Organization has Filings Due

After the initial filing, representatives of the group can check the "To Do List." It will show what, if anything, still needs to be filed. If everything is current, a message will indicate that nothing is due. If filings or fees are due, each will be listed, and users can click on that item to address the task.



Guidance When Completing the Filing

Adjacent to each item in the online system is an orange question mark. When a user clicks this, the system will provide additional information, such as where the user can find pertinent information on the IRS 990 form. An online user guide also is available for reference. For additional guidance, group representatives can contact the Ohio Attorney General's Office at **800-282-0515** or **CharitableRegistration@OhioAttorneyGeneral.gov**.

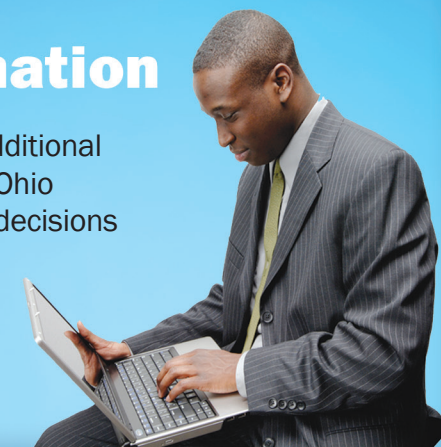


Determining the Fees Due

The system will indicate the amount owed, if any, based on information the charity provides. Most organizations do not owe fees after filing because the fee schedule is based on a sliding scale. If fees are owed, organizations can pay them online by credit card or e-check transaction and receive a receipt.

Public Access to the Information

For the first time, the public will be able to check the Attorney General's website for additional information on charitable organizations and determine if they are in compliance with Ohio registration requirements. Prospective donors can use this information to make wise decisions about contributions. The amount of information available online will increase over time as organizations complete their first cycle of filings over the next year. Charities can refer potential donors to the website for confirmation of compliance with state registration rules.



NO MORE Paper!

Ohio will require all organizations to use the online system instead of filing hard copy forms, including the uniform registration statement. This will increase efficiency and effectiveness and allow enhanced public access to information about charitable organizations doing business in Ohio. When documents are required, groups can upload or mail them. Those opting not to pay online with a credit card or electronic check can mail their checks. All documents and checks must be postmarked by the appropriate due dates to avoid missed deadlines.



Making Updates and Corrections

Organizations need to update their account whenever there are changes to the charitable purpose of the group, contact information, locations, or similar details. Any system user connected with an organization can edit these details. However, the organization's Employer Identification Number, which is used as a prime identifier within the system, can be altered only by contacting the Ohio Attorney General's Office.

Types of Notifications and Reminders

Any completed change or filing will trigger an automatic e-mail message to all users affiliated with the group. This enables everyone to monitor the accuracy and timeliness of the filings. Additionally, confirmations, invoices for payments not completed online, and

receipts for online payments will be sent by e-mail. Based on information on file for the group, the system will send filing deadline reminders around the time of the organization's filing deadline.

Key Dates

The system was launched Dec. 1, 2011, and groups with fiscal years ending on or after Nov. 30, 2011, must use it to complete their annual registration.

Groups with a fiscal year that ends prior to Nov. 30, 2011, are encouraged to use the new system if they have not yet completed their annual filing with the Ohio Attorney General's Office; however, paper filings will be accepted this year from such organizations. A new form is available on the website for those who do not use the online system for all filings after Dec. 1.

Reap the Benefits Soon

The sooner organizations use the new system, the quicker they will benefit from reminder mechanisms and other helpful features. Groups with fiscal years ending in November have until April 15 to file, giving them time to adjust to the new system. The Attorney General's Office recommends organization leaders create accounts shortly after the online system launches so that e-mail reminders can help reduce the risk of missed filing deadlines.

Questions? Contact Us!

If you have questions, the Attorney General's Office is here to help. Simply call **800-282-0515** or e-mail **CharitableRegistration@OhioAttorneyGeneral.gov**. Some tasks, such as changing fiscal years or correcting errors in information or filing status, require contact with the office.

We appreciate your patience during this conversion to the improved system. And as always, thank you for your efforts within the charitable community.

ONLINE CHARITABLE REGISTRATION *Info Sheet*

 **MIKE DEWINE**
OHIO ATTORNEY GENERAL
Charitable Law Section
150 E. Gay St., 23rd Floor
Columbus, OH 43215
800-282-0515

Book	Policy Manual
Section	9000 Relations
Title	DISTRICT SUPPORT ORGANIZATIONS
Code	po9211
Status	Active
Adopted	December 18, 2017

9211 - **DISTRICT SUPPORT ORGANIZATIONS**

The Board of Education appreciates the efforts of all organizations whose objectives are to enhance the educational experiences of District students, to help meet educational needs of students and/or provide extra educational benefits not provided for, at the time, by the Board.

District support organizations are defined as any non-profit entity, group, or other organization formed and operating for the purpose of supporting District programs.

Each support organization must maintain and provide proof of general liability insurance coverage. The Board shall offer the opportunity for any authorized school support entity to receive coverage under the District's liability insurance program to protect the entity against claims resulting from damage or injury resulting from any act or omission of any school-support entity. The entity shall pay for such coverage upon written notification from the Treasurer.

The following rules and procedures shall govern the working relationships between the Board, administration, and any District support organization. The Board may revoke formal recognition of any support group that fails to comply with these rules:

- A. School employees and Board-approved school volunteers may not be directly compensated in any manner by District support organizations.
- B. In addition to parents, membership may be made available to District staff and members of the community.
- C. Each District support organization shall work in cooperation with the Principal and other staff members and shall abide by the policies of the Board.
- D. It shall be the responsibility of each District support organization to monitor its activities to assure compliance with Board Policy.
 1. The organization shall permit the Board to review all financial books and documentation upon request, and shall conduct a financial audit upon request of the Board. In addition, organizations must produce the following documents to the Superintendent and/or Treasurer upon request:
 2. A determination letter from the Internal Revenue Service that verifies the organization is a tax-exempt organization in good standing as described in Section 501(c)(3) of the Internal Revenue Code (if applicable).
 3. A copy of the Articles of Incorporation or amended Articles of Incorporation on file with the Ohio Secretary of State (if applicable).
 4. A copy of the support organization's Bylaws and any amendments.
 5. A current list of names, addresses and titles of each officer of the organization.
- E. Each District support organization is encouraged to set goals that are consistent with those of the particular programs, activities or sports being supported as articulated by the coach/advisor and/or athletic director of such program, activity or sport, to avoid duplication of effort and to maximize the benefit to the organization or group.
- F. The activities of District support organizations shall not involve the use of public funds and the District shall not assume responsibility for any purchases made on behalf of any support organization governed by this policy. The school district

tax identification number shall not be used for District support organization purchases.

Staff members are encouraged to join such organization(s) in their related area(s) of specialization or interest, but shall not hold the position of Treasurer or handle funds belonging to the organization.

- G. Each District support organization must abide by the policies established for the use of District facilities and grounds. Projects that require any modification or alteration to District property must be pre-approved by the Superintendent.
- H. Proceeds from District support organization fund-raisers shall not be commingled with a student activity or other Board accounts. Board employees who commingle such proceeds with a student activity or other Board account shall be subject to discipline.
- I. District support organizations are encouraged to obtain 501(c)(3) status so that community members may properly take tax deductions for donations to the organization.
- J. Donations from District support organizations must be made in accordance with Board Policy 7230 and any accompanying guidelines. Donations shall become the property of the Board and used in a manner determined by the Board, in accordance with its policies and administrative guidelines.

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Legal

Ohio Ethics Commission Advisory Opinion 2008-01

R.C. 3313.203

7 C.F.R. Parts 210 and 220

Book	Policy Manual
Section	7000 Property
Title	GIFTS, GRANTS, AND BEQUESTS
Code	po7230
Status	Active
Adopted	December 18, 2017

7230 - GIFTS, GRANTS, AND BEQUESTS

The Board of Education is duly appreciative of public interest in and good will toward the schools manifested through gifts, grants, and bequests. The Board reserves the right, however, to specify the manner in which gifts are made; to define the type of gift, grant, or bequest which it considers appropriate; and to reject those which it deems inappropriate or unsuitable. If accepted, the Board shall attempt to carry out the wishes of the donor.

All gifts, grants, or bequests having a value of more than \$50.00 shall be accepted by the Board. The Superintendent may accept for the Board gifts of lesser value.

Gifts, grants, and bequests shall become the property of the Board and will be subject to use by the District as determined by the policies and administrative guidelines applying to all properties, equipment, materials, and funds owned by the Board.

Any equipment proposed to be purchased by a parent organization for use in the school or at a District-related event shall be submitted to the Board, prior to purchase, so it can determine if the District would incur any liability by its use.

The Board reserves the right to not accept such liability and thus deny the use of the equipment by students or District employees.

Legal	R.C. 9.20, 9.26, 3313.36, 3313.37
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Adult Support Group Schedule

Worthington City School District
Effective Date of Coverage: 7/1/2019

Group Name

WKHS B & G Water Polo Parent Support Group
 WKHS Baseball Parent Support Group / Diamond Club
 WKHS Boys Basketball Parent Support Group / Breakers
 WKHS Choir Boosters
 WKHS Girls Volleyball Support Group
 WKHS Girls Lacrosse Parent Club
 WKHS Gymnastics Parent Association
 WKHS Parents Support Field Hockey
 WKHS Parents Lacrosse Club
 WKHS Ice Hockey Boosters
 WKHS PTSO
 TWHS Activity Club
 TWHS Boys Lacrosse Parents Club
 TWHS Band Boosters
 TWHS Cross County Parent Group / Road Runners
 TWHS Cardinal Track and Field Boosters
 TWHS Field Hockey Parent Group
 TWHS Girls Basketball Parent Group
 TWHS Girls Gymnastics Parent Support Group
 TWHS Girls Lacrosse Parent Club
 TWHS Girls Volleyball Parents Club
 TWHS Ice Hockey Parent Club
 TWHS Lady Cardinal Kickers
 TWHS Lady Cards Softball Boosters
 TWHS PTSO
 TWHS Quarterback Club
 TWHS Swim/Dive Parent Booster Club
 TWHS Boys Tennis Parent Group
 TWHS Water Polo Parent Club
 TWHS Wrestling Club
 TWHS Boys Soccer / Strikers
 Rebounders Club for middle and high school
 Worthington PTA Council
 Bluffsview PTA
 Brookside PTA
 Colonial Hills PTA
 Evening Street PTA
 Granby PTA

This proposal is being offered on the basis shown above and is a summary that is intended to outline general policy coverages and related limits. It does not necessarily provide the terms and/or coverages required in your application to us. These coverages may contain restrictions or exclusions, which were not a part of your previous coverage. This proposal is subject to the terms and conditions of the policy that will be issued if this proposal is accepted.



Liberty PTA
Slate Hill PTA
Sutter Park Preschool PTA
Wilson Hill PTA
Worthington Estates PTA
Worthington Hills PTA
Worthington Park PTA
Kilbourne Middle School PTA
McCord PTA
Perry PTA
Worthingway PTA
WKHS Girls Basketball Boosters
WKHS Cheerleading Boosters
WKHS Girls Cross Country Boosters
WKHS Football Boosters
WKHS Golf Boosters
WKHS Girls Golf Boosters
WKHS Lacrosse Boosters
WKHS Girls Soccer Boosters
WKHS Softball Boosters
WKHS Swim/Dive Boosters
WKHS Girls Tennis Boosters
WKHS Boys/Girls Track Boosters
WKHS Boys Volleyball Boosters
WKHS Wrestling Boosters
WKHS Dance Team Boosters
TWHS Diamond Club
TWHS Cheerleading Boosters
TWHS Boys Golf Boosters
TWHS Girls Golf Boosters
Phoenix Middle School PTA
WKHS Kickers Club
WKHS Band Boosters
WKHS Science Olympiad Boosters

This proposal is being offered on the basis shown above and is a summary that is intended to outline general policy coverages and related limits. It does not necessarily provide the terms and/or coverages required in your application to us. These coverages may contain restrictions or exclusions, which were not a part of your previous coverage. This proposal is subject to the terms and conditions of the policy that will be issued if this proposal is accepted.

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Bylaws/Nonprofit

Articles and tools for creating, revising, and understanding your PTO bylaws, creating sound policies for your PTO or PTA, and becoming a nonprofit PTO with 501(c)(3) tax-exempt status.



How To Start a PTO - Step-by-step tips for getting a new parent group up and running at your school.



501(c)(3) for PTOs - How to make your PTO tax-exempt. We sort through the mumbo jumbo and tell you what to expect—from the process and the IRS.



PTO vs. PTA FAQs - Answers to some basic questions about PTOs and PTAs, including how to get started organizing your group.



How To Write PTO Bylaws - Bylaws are one of the basic building blocks for a well-organized parent group. Follow these simple guidelines (plus some detailed examples) to get your PTO's bylaws...

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Bylaws/Nonprofit 101

Your Group's Legal Status
Is your group tax-exempt? Incorporated? How to find out and keep your records up to date.

[PTO Startup Toolkit](#)

[Taxes, PTOs, and the IRS](#)

[Complete Sample Bylaws](#)

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Whose Rules: School or PTO?

Do you have to do what the principal says? Who has final say when disputes arise?

[Sample Bylaws With Annotations](#)

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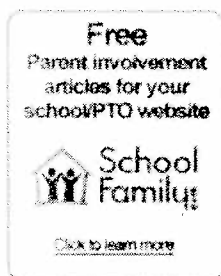
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[My Tip of the Week: How Your PTO or PTA Group Can Help Keep Kids Safe Online](#) | 1.19.11
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Q&A

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[Please help regarding election and transition - MIDad](#)
[IPI Fundraising - bankrupt?](#) - asi
[The ULTIMATE Donation List](#) - Lauren
[Please help regarding election and transition - qicoram](#)
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This Post Rocks

The best of the best from our PTO Today rock stars

[Re: The ULTIMATE Donation List](#) posted by Martha Maryland
[Re: Special Education PTO](#) posted by nbzero
[Re: Special Education PTO](#) posted by nbzero
[Re: Holiday Craft Night](#) posted by MsSevilla
[Re: Fundraiser Ideas for low income students...](#) posted by MsSevilla

Recent Activity

Today

["Awards"](#) asked in the [Q&A](#) by [Sr. Barbara](#) - 10:08 AM
[a guest](#) replied to the topic [Re: All-Star Active Fundraiser?](#) in the forums - 09:22 AM

Yesterday

["My Tip of the Week: Get Free Supplies for Your Teachers"](#) comment added by URL - 08:50 PM
["Brooklyn School P.S. 107, a Lowe's Toolbox Grant Recipient, in National Spotlight"](#) comment added by Homepage - 08:50 PM
["Great Lakes Scrip Center"](#) answered in the [Q&A](#) by [busymom324](#) - 04:12 PM
["More participation at the High School level"](#) asked in the [Q&A](#) by [ptso07081](#) - 01:41 PM
[MIDad](#) replied to the topic [Re: Please help regarding election and transition](#) in the forums - 08:21 AM
[a guest](#) replied to the topic [Re: IPI Fundraising - bankrupt?](#) in the forums - 03:20 AM

2 days ago

[a guest](#) replied to the topic [Re: The ULTIMATE Donation List](#) in the forums - 11:37 PM

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User Rating: 4 out of 5

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File Exchange: Budgets

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Updated! PTO self-assessment form to help continually strengthen the parent group's financial security. [Details](#)

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Updated! Comprehensive guide for PTO and PTA treasurers to ensure that funds are handled correctly and protected for the long term. [Details](#)

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- MiDad replied to the topic [Re: Please help regarding election and transition](#) in the forums - 08:21 AM

This guide for PTOs and PTAs outlines best practices for sending email, setting up accounts on Facebook/Twitter, what to include on a website, etc.

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[Elementary School PTO Budget](#)

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Simple Excel spreadsheet budget. Great tool for budget planning. Compares previous year budget, previous year actual, and proposed budget. [Details](#)

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[Dance - Activity - Budget Tracking and Guest List](#)

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This is an excel workbook, which you can use to enter your guests, funds received, and track expenses of multiple persons for a dance. This workbook [Details](#)

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[Middle School Fun Run Budget](#)

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One of several forms posted that relate to a fun run done at a middle school [Details](#)

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Budget Projection form for committees - all fields can be customized [Details](#)

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[PTO Today: Performance to Budget Sample Report](#)

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Example of a monthly treasurer report showing income vs. spending; learn more about budgeting in the Leader's Toolkit and Treasurer's Toolkit. [Details](#)


Downloads: 4392 | Rating: 3.8 / 5





[Get It!](#)

[PTO Today: Budget Category Transaction Worksheet](#)

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Log checkbook register items on this worksheet to identify budget categories: Form 1 in Treasurer's Toolkit. [Details](#)

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[Elementary School Budget Template](#)

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
Detailed Elementary School Budget. [Details](#)

Downloads: 11165 | Rating: 3.6 / 5



[Get It!](#)

[PTO Today: Sample Parent Group Budget](#)

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Customizable spreadsheet example of a good budget. [Details](#)

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[Get It!](#)

[Sample Fundraiser Cost Model Analysis](#)

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This is a sample form to figure the potential costs and profits of an event. [Details](#)

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[PTO Today: Family Event Cost Model Sample](#)

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Blank spreadsheet for determining projected and actual costs to run a family night or other event. [Details](#)

a guest replied to the topic [Re: PTA Fundraising - bankrupt?](#) in the forums - 03:20 AM

2 days ago

a guest replied to the topic [Re: The ULTIMATE Donation List](#) in the forums - 11:37 PM

Downloads: 2177 | Rating: 3.2 / 5



PTO Today

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Sample Cash Receipt Voucher

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This is a form that is required to be turned in with any funds collected and turned in to the Treasurer. [Details](#)

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Sample Budget Request Form

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This is a sample of our Budget Request Form. I've seen these also referred to as Teacher Grant Request Forms. [Details](#)

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Get It!

PTO Today: Volunteer Auditor Cover Letter

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Updated! Customizable letter to send to a volunteer auditor who is conducting the annual financial review for your PTO or PTA. [Details](#)

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Get It!

PTO Today: Budget Sample Categories Worksheet

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Some typical budget categories for creating a new budget: Form 2 in the Treasurer's Toolkit. [Details](#)

Downloads: 292 | Rating: 3.0 / 5



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PTO Today: Budget Actual History Worksheet

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To use in conjunction with the Budget Category Transaction Worksheet for a new budget; Form 3 in Treasurer's Toolkit. [Details](#)

Downloads: 253 | Rating: 3.0 / 5



Get It!

PTA/PTO Monthly Budget Worksheet

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Downloads: 5475 | Rating: 3.0 / 5



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Budget 2007-2008

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Downloads: 3741 | Rating: 2.8 / 5



Get It!

PTO Today: Profit and Loss Sample Statement

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**GEORGE WASHINGTON ELEMENTARY PTO
PROPOSED BUDGET 2010 -- 2011**

	2009 - 2010 Budget	Actual	Variance	2010 - 2011 Proposed	NOTES
BALANCE ON HAND from previous year	\$36,736.58	\$36,736.58		\$0.00	
INCOME (RECEIPTS)					
Book Fairs	\$7,500.00	\$8,273.75	(\$773.75)	\$7,500.00	
Box Tops	\$1,000.00	\$2,166.64	(\$1,166.64)	\$1,000.00	
Direct Donations	\$0.00	\$150.00	(\$150.00)	\$0.00	
eScrip	\$900.00	\$863.87	\$36.13	\$900.00	
Fall Fundraiser -- Signature Catalog	\$30,000.00	\$30,068.89	(\$68.89)	\$30,000.00	
Family Nights -- Fall/Winter	\$0.00	\$1,436.80	(\$1,436.80)	\$1,200.00	
Family Nights -- Spring	\$1,200.00	\$1,143.30	\$56.70	\$1,200.00	
Fifth Grade Activity (Student Donations)	\$0.00	\$805.00	(\$805.00)	\$800.00	
Fifth Grade T-Shirts	\$800.00	\$240.00	\$560.00	\$800.00	
My School is Cool	\$500.00	\$500.00	\$0.00	\$500.00	
Ralphs/Vons Cards	\$2,300.00	\$2,612.83	(\$312.83)	\$2,000.00	
Restaurant Nights	\$1,500.00	\$456.78	\$1,043.22	\$750.00	
Spookygrams	\$500.00	\$818.35	(\$318.35)	\$750.00	
Spring Fundraiser -- Memory Tile Wall	\$0.00	\$0.00	\$0.00	\$1,500.00	
T-Shirt Sales	\$3,500.00	\$2,346.00	\$1,154.00	\$1,750.00	
Yearbook	\$0.00	\$3,745.00	(\$3,745.00)	\$3,000.00	
TOTAL RECEIPTS	\$49,700.00	\$55,627.21	(\$5,927.21)	\$53,650.00	
EXPENSES (DISBURSEMENTS)					
Fundraising Expenses					
Book Fair -- Library Fund	\$2,300.00	\$0.00	\$2,300.00	\$2,300.00	
Book Fair -- Product	\$4,500.00	\$4,542.92	(\$42.92)	\$4,500.00	
Box Tops	\$250.00	\$112.08	\$137.92	\$50.00	
eScrip/ Ralphs	\$20.00	\$0.00	\$20.00	\$20.00	
Fall Fundraiser -- Product	\$15,000.00	\$14,410.07	\$589.93	\$15,000.00	
Spring Fundraiser -- Product	\$0.00	\$0.00	\$0.00	\$600.00	
Spookygrams	\$175.00	\$157.35	\$17.65	\$175.00	
Total Fundraising Expenses	\$22,245.00	\$19,222.42	\$3,022.58	\$22,645.00	
Operating Expenses					
Bank Fees	\$100.00	\$45.00	\$55.00	\$100.00	
Bulletin Board Maintenance	\$20.00	\$0.00	\$20.00	\$20.00	

**GEORGE WASHINGTON ELEMENTARY PTO
PROPOSED BUDGET 2010 -- 2011**

	2009 - 2010 Budget	Actual	Variance	2010 - 2011 Proposed	NOTES
Childcare	\$900.00	\$575.00	\$325.00	\$900.00	
Copy Paper	\$500.00	\$277.42	\$222.58	\$500.00	
Insurance	\$200.00	\$190.00	\$10.00	\$200.00	
Membership -- Printing/Supplies	\$120.00	\$20.00	\$100.00	\$50.00	
Miscellaneous -- Officer's Supplies	\$320.00	\$244.41	\$75.59	\$300.00	
Officer's Reimbursement (NOT Supplies; i.e. parking, etc.)	\$100.00	\$39.74	\$60.26	\$100.00	
Postage	\$50.00	\$16.80	\$33.20	\$50.00	
President & Principal Luncheon	\$50.00	\$0.00	\$50.00	\$50.00	
Meeting Supplies	\$300.00	\$65.17	\$234.83	\$300.00	
Total Operating Expenses	\$2,660.00	\$1,473.54	\$1,186.46	\$2,570.00	
Program Expenses					
Hospitality					
Kindergarten Tea	\$75.00	\$75.00	\$0.00	\$75.00	
Meetings	\$200.00	\$45.77	\$154.23	\$200.00	
Teacher Appreciation Luncheon	\$700.00	\$118.29	\$581.71	\$700.00	
Welcome Back Teacher Brunch	\$250.00	\$203.69	\$46.31	\$250.00	
					Total Hospitality \$1,225.00
					Percentage of Budget 2.52%
Art Day	\$100.00	\$0.00	\$100.00	\$0.00	
Assemblies or Programs	\$7,000.00	\$4,840.00	\$2,160.00	\$7,000.00	
Classroom Supplies for Teachers	\$4,400.00	\$2,235.55	\$2,164.45	\$0.00	
DARE Graduation	\$100.00	\$88.95	\$11.05	\$100.00	
Family Nights -- Holiday Event	\$600.00	\$52.43	\$547.57	\$600.00	
Family Nights -- Picnic	\$1,200.00	\$1,579.87	(\$379.87)	\$1,200.00	
Field Trip Buses	\$7,500.00	\$6,500.00	\$1,000.00	\$7,000.00	
Fifth Grade Activity	\$500.00	\$76.20	\$423.80	\$500.00	
Fifth Grade Promotion	\$350.00	\$302.88	\$47.12	\$350.00	
Fifth Grade T-Shirts	\$800.00	\$0.00	\$800.00	\$800.00	
Membership -- Enrollment Recognition	\$100.00	\$50.00	\$50.00	\$100.00	
Newsletter	\$1,500.00	\$1,033.33	\$466.67	\$1,500.00	
Parent Education	\$100.00	\$0.00	\$100.00	\$100.00	
Red Ribbon Week	\$250.00	\$0.00	\$250.00	\$250.00	
Reflections	\$750.00	\$413.25	\$336.75	\$0.00	
Student Welfare	\$75.00	\$71.85	\$3.15	\$75.00	
Time Travelers	\$500.00	\$11.00	\$489.00	\$500.00	
T-Shirt Product	\$3,500.00	\$3,181.00	\$319.00	\$1,750.00	
Turn Off TV Week	\$50.00	\$0.00	\$50.00	\$50.00	

**GEORGE WASHINGTON ELEMENTARY PTO
PROPOSED BUDGET 2010 -- 2011**

	2009 - 2010 Budget	Actual	Variance	2010 - 2011 Proposed	NOTES
Walk to School Day Yearbook	\$50.00 \$0.00	\$45.31 \$0.00	\$4.69 \$0.00	\$50.00 \$300.00	
Total Program Expenses	\$30,650.00	\$20,924.37	\$9,725.63	\$23,450.00	
TOTAL DISBURSEMENTS	\$55,555.00	\$41,620.33	\$13,934.67	\$48,665.00	
TOTAL INCOME VERSUS EXPENSES	(\$5,855.00)	\$14,006.88	(\$19,861.88)	\$4,985.00	
RESERVES					
Allocated: Shade Structure Reserve	\$10,500.00	\$10,200.00	\$300.00	\$0.00	
Unallocated: Savings Account	\$6,239.27	\$6,239.27	\$6,239.27	\$0.00	
BALANCE ON HAND	\$47,620.85	\$67,182.73	(\$13,322.61)	\$4,985.00	

OHIO ETHICS COMMISSION

Merom Brachman
Commission Chair

David E. Freel
Executive Director



8 East Long Street, 10th Floor
Columbus, Ohio 43215
Telephone: (614) 466-7090
Fax: (614) 466-8368
Web site: www.ethics.state.oh.us

INFORMATION SHEET: ADVISORY OPINION NO. 2001-04 **TRAVEL AND GIFTS PROVIDED TO SCHOOL OFFICIALS AND EMPLOYEES**

What is the question addressed in the opinion?

Do the Ohio Ethics Law and related statutes prohibit school district officials or employees from accepting travel, meals, and lodging, or gifts, provided to them in connection with their public employment?

What is the answer in the opinion?

The Ethics Law prohibits any school district official or employee, including any teacher regardless of his or her job duties, from accepting travel or any other gift, if the gift is given as payment for the performance of his or her official duties. All parties are prohibited from providing gifts or travel as compensation to school officials and employees.

School district officials and employees, including teachers with administrative or supervisory authority, are prohibited from accepting travel, meals, and lodging, or gifts of substantial value, from any party that is interested in matters before, regulated by, or doing or seeking to do business with their school districts. Teachers without administrative or supervisory authority are not subject to this prohibition. The Ethics Law also prohibits all parties that are interested in matters before, regulated by, or doing or seeking to do business with a school district from offering travel, meals, and lodging, or substantial gifts, to district officials and employees.

The Ethics Law does not prohibit school district officials and employees from accepting a promotional item, such as a t-shirt, pen, or calendar, or a gift of nominal value.

What are some examples of teachers who perform or have the authority to perform administrative or supervisory functions?

Academic department heads, athletic directors, and coaches are examples of teachers with administrative or supervisory authority.

How and when did the opinion become effective?

The opinion became effective upon acceptance by the Commission.

For More Information, Please Contact:

David E. Freel, Executive Director, **or**
Jennifer A. Hardin, Chief Advisory Attorney

**THIS SHEET IS PROVIDED FOR INFORMATION PURPOSES.
IT IS NOT AN ETHICS COMMISSION ADVISORY OPINION.
ADVISORY OPINION NO. 2001-04 IS ATTACHED.**

OHIO ETHICS COMMISSION

Merom Brachman
Commission Chair

David E. Freel
Executive Director



8 East Long Street, 10th Floor
Columbus, Ohio 43215
Telephone: (614) 466-7090
Fax: (614) 466-8368
Web site: www.ethics.state.oh.us

Advisory Opinion
Number 2001-04
May 10, 2001

Syllabus by the Commission:

- (1) Divisions (D) and (E) of Section 102.03 of the Revised Code prohibit a school district official or employee from soliciting, accepting, or using his or her position to secure travel, meals, and lodging, or a gift of substantial value, from a party that is interested in matters before, regulated by, or doing or seeking to do business with the school district;
- (2) The prohibition in R.C. 102.03(D) and (E) applies to every school district and educational service center elected and appointed official, and to every employee of a school district or educational service center except a teacher, instructor, or other kind of educator whose position does not involve the performance of, or authority to perform, administrative or supervisory functions;
- (3) Division (F) of Section 102.03 of the Revised Code prohibits any person from promising or giving, to a school district official or employee, travel, meals, and lodging, or a gift of substantial value, if the person is interested in matters before, regulated by, or doing or seeking to do business with the public official's or employee's public agency;
- (4) Division (A) of Section 2921.43 of the Revised Code prohibits all elected and appointed school district officials and all school district employees, including all teachers, from accepting any gift, regardless of its value, and prohibits any person from giving a gift to a school official or employee, if either the purpose or the result of the gift is to provide payment to the public servant in return for the performance of his or her official duties.

* * * *

You have asked whether the Ohio Ethics Laws and related statutes prohibit school district officials or employees from accepting travel, meals, and lodging, or gifts, provided to them in connection with their public employment. You have explained that school district officials and employees, including administrators, teachers, and coaches, are sometimes offered gifts by students, parents, and vendors of the district.

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You have identified two situations as examples. First, you have explained that a company wishes to provide construction services to the school district. The company would like to take two school district administrators to see an example of its work in another state. The company has offered to provide air travel, meals, and lodging for the administrators. Second, a vendor wishes to sell class rings, necklaces, and other jewelry to students in the district's high schools. The jewelry ranges in cost from \$100.00 to \$500.00 an item, depending on the item selected and the metal and stone used. You have stated that the vendor has offered to provide free items of jewelry to some of the school administrators and teachers as an expression of good will.

Brief Answer

As explained more fully below, the Ohio Ethics Law prohibits every school district official or employee, except a teacher, instructor, and other educator whose position does not involve the performance of, or authority to perform, administrative or supervisory functions, from soliciting, accepting, or using his or her position to secure travel, meals, and lodging, or a gift of substantial value, from any party that is interested in matters before, regulated by, or doing or seeking to do business with the school district he or she serves. Examples of teachers who perform, or have the authority to perform, administrative or supervisory functions include academic department heads, athletic directors, and coaches. The Ethics Law does not prohibit school district officials and employees from accepting a promotional item, such as a pen, pencil, or calendar, or a gift of nominal or de minimis value.

All school officials and employees, including teachers regardless of their job duties, are prohibited from accepting any gift, if either the purpose or the result of the gift is to provide payment to the public servant in return for the performance of his or her official duties. All persons are prohibited from providing, to a school employee, gifts that are provided to the official or employee as compensation in return for the performance of his or her official duties. The Ethics Law and related statutes also prohibit all persons, including students, parents, and school district vendors, from promising or giving, to any school district official or employee, any gift that is provided to the official or employee as compensation for the performance of his or her official duties.

Accepting Anything of Value

Your attention is directed to R.C. 102.03(D) and (E), which read:

- (D) No public official or employee shall use or authorize the use of the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person's duties.

- (E) No public official or employee shall solicit or accept anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person's duties.

The term "public official or employee" is defined for purposes of R.C. 102.03 to include any person who is an employee of any public agency. See R.C. 102.01(B) and (C). The Commission has held that, with the exception of teachers, instructors, professors, or other kinds of educators whose positions do not involve the performance of, or authority to perform, administrative or supervisory functions, every official and employee of every school district in the state is considered a "public official or employee" as that phrase is defined in R.C. 102.01(B). See Ohio Ethics Commission Advisory Opinions No. 93-017 and 2000-04. Therefore, a school district administrator is a public official for purposes of R.C. 102.03(D) and (E).

Further, any teacher or other kind of educator whose position involves the performance of, or authority to perform, any duties that involve managing or directing the activities of the school district or other school employees, or supervising other school employees, is a "public official or employee" for purposes of R.C. 102.01(B). See Adv. Op. No. 93-017. Examples of teachers whose duties include administrative or supervisory activity include an educator who is the head of an academic department, and who establishes the curriculum, teaching activities, or other matters for the department, or an instructor who acts as an athletic coach or band director, and supervises the activities of assistants. Adv. Op. No. 2000-04. The question of whether a particular public school teacher is a public official or employee subject to R.C. 102.03(D) and (E) depends on the job duties of the employee involved.

The term "anything of value" is defined, for purposes of R.C. 102.03, to include money, goods and chattels, and every other thing of value. R.C. 1.03; 102.01(G). The Ethics Commission has held that promotional items, gifts, gratuities, and discounts, of the kind you have described, constitute things of value for purposes of R.C. 102.03. Adv. Ops. No. 82-005, 91-010, 92-015, and 95-001. Samples of items sold by a vendor, such as class rings, necklaces, and other jewelry, would also fall within the definition of anything of value.

Substantial and Improper Influence

The issue before the Commission is whether any one of these kinds of items, offered to a school official or employee, are of such a character as to manifest a "substantial" and "improper" influence upon that official or employee with respect to his or her duties. In Advisory Opinion No. 86-011, the Commission held that, when determining whether anything of value could have an improper influence upon a public official or employee with respect to the performance of his duties, the focus is primarily on the source of the thing of value. Id. The Commission held that the question of whether the gift could have a "substantial" influence depends on the nature of the thing of value. Id. Therefore, in the instant situation, the Commission must examine both the source and the nature of a gift offered to a public official or employee.

Source of Anything of Value

With regard to the source of the thing of value, the Commission has consistently held that anything of value could have an improper influence on a public official or employee if it is provided to the official or employee by a party that is interested in matters before, regulated by, or doing or seeking to do business with the public official's or employee's agency. See Adv. Ops. No. 84-010, 89-013, 90-001, and 95-001. The Commission explained in Advisory Opinion No. 84-010 that:

The receipt of something of value from a party that is interested in matters before, regulated by, or doing or seeking to do business with the agency with which the public official or employee serves is of such character as to manifest a substantial or improper influence upon the public official or employee with respect to his official duties, because it could impair his independence of judgment in the performance of his duties and affect subsequent decisions in matters involving the donor of the thing of value.

The Commission has consistently held that a public official or employee is prohibited from accepting a thing of value from any of these improper sources. See Adv. Ops. No. 86-011, 89-002, and 89-013. For example, in Advisory Opinion No. 2000-04, the Ethics Commission concluded that a school district official or employee is prohibited from receiving any benefit from a school trip company that does business with his school district.

In the instant situation, the gifts are being offered to school district officials and employees by students, parents, and vendors who are doing business with or wish to do business with the district. Students are subject to the decisions made by school district officials and employees, and are, therefore, in the category of regulated parties. Parents whose children attend classes in the school district are interested in matters pending before the school district. Vendors who sell or wish to sell goods or services to the school district are either parties that are doing or seeking to do business with the district. A vendor who wishes to sell items to students or parents, but needs the permission of the district before it can engage in the commercial activity, such as the vendor of class rings, necklaces, and other jewelry in your example, are parties that are interested in matters pending before the district. Therefore, the gifts that you have described in your question, offered by students, parents, and vendors seeking to do business with the district or with students and parents of students in the district, are being offered to the school officials and employees by improper sources.

Thus, the question becomes whether the offered items are "substantial," and thus prohibited things of value under R.C. 102.03. As discussed above, to determine whether a thing of value is "substantial," the Commission examines the nature of the thing of value.

Nature of Anything of Value

The Commission has held that anything of value could have a “substantial” influence upon a public official or employee, with respect to the performance of his duties, for purposes of R.C. 102.03(D) and (E), if the thing of value is of a “substantial” nature. Adv. Op. No. 86-011. The term “substantial” is not statutorily defined for purposes of the Ohio Ethics Law. In the absence of a statutory definition or a technical meaning, words and phrases used in a statute must be construed according to common usage. See R.C. 1.42. In Advisory Opinions No. 75-014 and 76-005, the Commission applied the common usage standard of R.C. 1.42 to the word “substantial” as used in R.C. 102.03 and determined that “substantial” was commonly used to mean “of or having substance, real, actual, true; not imaginary; of considerable worth or value; important.”

The Commission has generally found that some items are nominal or de minimis in value and will not have a substantial influence on a public official or employee. See, e.g., Adv. Ops. No. 86-003, 89-014, and 92-015. The Commission has found that a public official or employee is not prohibited from accepting a thing of value of a nominal or de minimis value from an improper source. For example, the Commission has stated that a public official or employee is not prohibited from soliciting or accepting a tee-shirt or other kind of nominal promotional item provided by a vendor or potential vendor. However, the Commission has cautioned that de minimis or nominal items or expenses could have a substantial cumulative value if extended over time. Adv. Op. No. 86-003. Further, the Commission has concluded that a public official’s or employee’s acceptance of even nominal things of value from certain parties could create the appearance of impropriety. Id.

The Commission has also identified some items that are clearly of a substantial value. In Advisory Opinion No. 2001-03, the Commission concluded that most golf outings are of a substantial nature. In Advisory Opinion No. 95-001, the Commission concluded that a season ticket for the games of a professional sports team is a substantial thing of value. Other items that the Commission has determined are substantial things of value are travel, meals, and lodging, discounts on furniture and major appliances, frequent flyer benefits accrued in connection with public travel, and a month of free parking or free gasoline, or a monthly public transit pass for commuters. Adv. Ops. No. 89-014, 91-010, 92-014, and 92-015.

The Commission has held that the application of R.C. 102.03 is dependent on the facts and circumstances of each individual situation. Adv. Ops. No. 87-008 and 89-003. The question, then, is whether the items you have described are of a substantial nature.

Travel, Meals, and Lodging

The first situation you have identified involves a company that wishes to provide construction services to the school district. The company would like to take two school district administrators to see an example of its work in another state. The company has offered to provide air travel, meals, and lodging for the administrators.

In past advisory opinions, the Commission has concluded that travel, meals, and lodging provided to public officials and employees are of a substantial value. Adv. Ops. No. 89-013, 89-014, and 2000-04. Based on this precedent, it is clear that the air travel, meals, and lodging offered by the construction vendor are items of substantial value. The fact that the travel is provided to the school officials in order to allow them to view examples of the vendor's work does not change its character as an item of substantial value.

Samples of Vendor Merchandise

The second example about which you ask involves samples of merchandise offered for sale by vendors, either to the school or to students and parents at the school. Specifically, you have stated that a vendor wishes to sell class rings, necklaces, and other jewelry to students in the district's high schools. In order for the vendor to sell these items to students, administrators for the district and at each school must enter into a contract with the vendor. The contract will set forth such items as the kinds and costs of class rings, necklaces, and other jewelry the vendor will sell, the methods and times at which the vendor may contact students, and permission for the vendor to use the school team name and mascot on the jewelry.

You have explained that the jewelry commonly ranges in cost from \$100.00 to \$500.00 an item, depending on the item selected and the metal and stone used. You have stated that the vendor has offered to provide free items of jewelry to some of the school administrators and teachers as an expression of good will.

As stated above, the Commission has identified such items as discounts, a golf outing, a parking or transit pass for one month, and season tickets to the games of a professional sports team as items of substantial value. Adv. Ops. No. 92-014, 92-015, 95-001, and 2001-03. Based on this precedent, it is clear that a class ring, necklace, or other jewelry item of this type, with a cost ranging from \$100.00 to \$500.00, is an item of substantial value. The fact that these items are provided to school administrators in the interest of promoting "good will" for the vendor does not change their character as items of substantial value.

Application of Prohibition

Therefore, Divisions (D) and (E) of Section 102.03 would prohibit a school official or employee from accepting, soliciting, or using the authority or influence of his public position to secure travel, meals, and lodging, or a gift of a substantial value, such as an item of jewelry, from a party that is interested in matters before, regulated by, or doing or seeking to do business with, the school district. Prohibited sources would include students, parents, and parties doing or seeking to do business with the district. As stated above, this prohibition applies to all elected and appointed school district officials, and to all school district employees, except teachers and other instructors who do not perform or have the authority to perform administrative or supervisory functions.

R.C. 102.03(D) and (E) do not prohibit a school district official or employee from accepting an offered promotional item, such as a pen, pencil, or calendar. Further, the Ethics Law and related statutes would not prohibit a school district official and employee from accepting a gift of nominal or de minimis value, such as a book or other typical gift a student might give his or her teacher at the holidays.

You should also note that R.C. 102.03(D) and (E) would not prohibit the school district from accepting the donation of sample merchandise, from the vendor, for the use of the district. For example, if the district were considering the purchase of computers for use in a high school computer lab, the district could accept the loan of a computer from any of the companies vying for the contract, in order for the district to determine which computer met the needs of the district in the most cost-effective fashion. See Adv. Op. No. 89-002. However, it must be clear that the computer is being used only for school district business, and is not provided to any school district official or employee for his or her personal use or benefit. Id.

Travel, meals, and lodging from construction vendors seeking business from the school district accrue to the personal benefit of the public official and employee who is undertaking the travel, even though they may also accomplish a business purpose. Adv. Op. No. 89-013 and 89-014. But see Adv. Op. No. 2000-04 (school district officials and employees are not prohibited from accepting, from a private tour company, necessary travel expenses to accompany students on a school trip, so long as the travel expenses are provided in connection with the contract between the district and the tour company). Gifts of class rings, necklaces, and other jewelry, as described above, are clearly for the personal use of the recipient, and do not serve any school district purpose.

Giving Anything of Value—R.C. 102.03(F)

You should also note R.C. 102.03(F), which provides:

No person shall promise or give to a public official or employee anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person's duties.

The restriction in R.C. 102.03(F) applies to any party who is promising or giving a gift to a school district official and employee.

As explained above, a public official's or employee's acceptance of a gift of substantial value, from a party that is interested in matters before, regulated by, or doing or seeking to do business with the public official's or employee's public agency, could be of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to his or her duties. Therefore, R.C. 102.03(F) prohibits any party that is interested in matters before, regulated by, or doing or seeking to do business with the public official's or employee's public agency from providing travel, meals, and lodging, or a gift of substantial value, to a public official or employee.

Supplemental Compensation—R.C. 2921.43(A)

The question presented in this opinion may also raise issues involving supplemental compensation, and thus implicate the prohibitions of Section 2921.43(A), which provide:

- (A) No public servant shall knowingly solicit or accept and no person shall knowingly promise or give to a public servant either of the following:
 - (1) Any compensation, other than as allowed by divisions (G), (H), and (I) of section 102.03 of the Revised Code or other provisions of law, to perform his official duties, to perform any other act or service in the public servant's public capacity, for the general performance of the duties of the public servant's public office or public employment, or as a supplement to the public servant's public compensation;
 - (2) Additional or greater fees or costs than are allowed by law to perform his official duties.

The term "public servant" is defined, for purposes of this section, to include any public official; any person performing ad hoc a governmental function, including, but not limited to, a juror, member of a temporary commission, master, arbitrator, advisor, or consultant; and a person who is a candidate for public office, whether or not the person is elected or appointed to the office for which the person is a candidate. R.C. 2921.01(A). A public school administrator, official, or employee, including any teacher, regardless of his or her duties and responsibilities, is a "public servant" as defined by R.C. 2921.01(B), and, as such, is subject to the prohibition of R.C. 2921.43(A)(1). See Adv. Op. No. 93-017.

R.C. 2921.43(A)(1) prohibits a public servant from accepting any compensation, other than as allowed by R.C. 102.03(G)-(I) or other provision of law, to perform any act in his public capacity or generally perform the duties of his public position. See Adv. Op. No. 90-001. R.C. 2921.43(A)(1) also prohibits any person from promising or giving to a public servant any such outside compensation. Adv. Ops. No. 89-014 and 90-001. The exceptions set forth in R.C. 102.03(G) through (I) concern campaign contributions, and under certain circumstances, honoraria and travel, meal, and lodging expenses incurred in connection with a personal appearance or speech, or attendance at conferences, seminars, and similar events, and are not applicable in the instant situation.

The word "compensation" is not defined for purposes of R.C. 2921.43. In Advisory Opinion No. 92-014, the Ethics Commission held:

A primary rule of statutory construction is that words used in a statute must be construed according to rules of grammar and common usage. See R.C. 1.42. Furthermore, statutes "must be construed in the light of the mischief they are

designed to combat." City of Mentor v. Giordano, 9 Ohio St. 2d 140, 144 (1967). "Compensation" is defined as "payment for services: esp., wages or remuneration." See Webster's New World Dictionary 289 (2nd College Ed. 1972).

See also State v. Livesay, 91 Ohio Misc. 2d 208 (C.P. Jackson Cty. February 19, 1998) (the use of the word "compensation" in R.C. 2921.43(A) requires an exchange of a thing in return for some obligation).

R.C. 2921.43(A) prohibits a public servant from accepting any item, and any person from promising or giving a public servant any item, including a gift of substantial value, that is intended to be provided in exchange for the performance of the public servant's public duties. For example, a substantial gift such as a class ring or other jewelry that a vendor provides to any school district official or employee in return for the performance of a particular duty, act, or service that the school district official or employee is required to perform, or for the general performance of the duties of the school district official or employee, is consideration in the form of jewelry given to a school official or employee for performing his or her public duties. Adv. Op. No. 2001-03. See also State v. Capko, No. 56814, 1990 Ohio App. LEXIS 1287, at *5 (Cuyahoga County 1990) (quoting State v. Beros, No. CA-633 (Guernsey County 1981) (the bribery statute [R.C. 2921.02(B)] prohibits a public servant from receiving money to perform his job duties 'wrong,' while R.C. 2921.43(A) prohibits a public servant from receiving money to perform his job duties 'right').

Other Considerations

Your question may also raise issues concerning school district rules or policies that govern the officials and employees of those districts, and that are independent of the Ohio Ethics Law and related statutes. A public agency cannot, by rule or policy, impose a lesser standard of behavior on public officials and employees than that imposed by the Ohio Ethics Law. See Adv. Op. No. 83-004 (the Ohio Ethics Law and related statutes are general laws establishing a standard of conduct for all citizens who serve as public officials or employees, and will prevail over city charter provisions). However, a public agency may be able to adopt rules and policies that impose a broader prohibition than those contained within the Ohio Ethics Law. These rules and policies are not within the Ethics Commission's jurisdiction. Therefore, each school district official or employee may wish to seek advice from the specific school district he or she serves regarding the existence of any rule or policy that governs the issues presented in this opinion.

Conclusion

As explained more fully above, the Ohio Ethics Law prohibits every school district official or employee, except a teacher, instructor, and other educator whose position does not involve the performance of, or authority to perform, administrative or supervisory functions, from soliciting, accepting, or using his or her position to secure travel, meals, and lodging, or a gift of substantial value, from any party that is interested in matters before, regulated by, or

doing or seeking to do business with the school district he or she serves. Examples of teachers who perform, or have the authority to perform, administrative or supervisory functions include academic department heads, athletic directors, and coaches. The Ethics Law does not prohibit school district officials and employees from accepting a promotional item, such as a pen, pencil, or calendar, or a gift of nominal or de minimis value.

All school officials and employees, including teachers regardless of their job duties, are prohibited from accepting any gift, if either the purpose or the result of the gift is to provide payment to the public servant in return for the performance of his or her official duties. All persons are prohibited from providing, to a school employee, gifts that are provided to the official or employee as compensation in return for the performance of his or her official duties. The Ethics Law and related statutes also prohibit all persons, including students, parents, and school district vendors, from promising or giving, to any school district official or employee, any gift that is provided to the official or employee as compensation for the performance of his or her official duties.

This advisory opinion is based on the facts presented. It is limited to questions arising under Chapter 102. and Sections 2921.42, 2921.421, and 2921.43 of the Revised Code, and does not purport to interpret other laws or rules.

Therefore, it is the opinion of the Ohio Ethics Commission, and you are so advised, that: (1) Divisions (D) and (E) of Section 102.03 of the Revised Code prohibit a school district official or employee from soliciting, accepting, or using his or her position to secure travel, meals, and lodging, or a gift of substantial value, from a party that is interested in matters before, regulated by, or doing or seeking to do business with the school district; (2) The prohibition in R.C. 102.03(D) and (E) applies to every school district and educational service center elected and appointed official, and to every employee of a school district or educational service center except a teacher, instructor, or other kind of educator whose position does not involve the performance of, or authority to perform, administrative or supervisory functions; (3) Division (F) of Section 102.03 of the Revised Code prohibits any person from promising or giving, to a school district official or employee, travel, meals, and lodging, or a gift of substantial value, if the person is interested in matters before, regulated by, or doing or seeking to do business with the public official's or employee's public agency; and (4) Division (A) of Section 2921.43 of the Revised Code prohibits all elected and appointed school district officials and all school district employees, including all teachers, from accepting any gift, regardless of its value, and prohibits any person from giving a gift to a school official or employee, if either the purpose or the result of the gift is to provide payment to the public servant in return for the performance of his or her official duties.



Merom Brachman, Chair
Ohio Ethics Commission

OHIO ETHICS COMMISSION

Ann Marie Tracey, *Chair*
Ben Rose, *Vice Chair*



8 East Long Street, 10th Floor
Columbus, Ohio 43215
Telephone: (614) 466-7090
Fax: (614) 466-8368
Web site: www.ethics.ohio.gov

David E. Freel, *Executive Director*

INFORMATION SHEET: ADVISORY OPINION NO. 2008-01 **SCHOOL OFFICIAL OR EMPLOYEE RECEIVING** **SUPPLEMENTAL COMPENSATION FOR COACHING**

What is the question addressed in the opinion?

Does the Ethics Law prohibit a school employee, who is compensated by the board of education to serve as a coach or provide support for a school-related activity, from receiving compensation for the same services from any other source, including a booster group or other school support organization?

What is the answer in the opinion?

Yes. The Ethics Law and related statutes prohibit a school district employee from receiving compensation from any other source in exchange for the performance of the duties that the district board of education has authorized the employee to perform.

The law does not prohibit a booster group, school support organization, or other source that supports activities of a school district, from making a voluntary gift to the district. The district can use the donation in whatever way it chooses, within the limitations in the Ethics Law discussed in this opinion.

To whom does this opinion apply?

This opinion applies to any school district, educational service center (ESC), or community school official or employee who is paid by the district, ESC, or community school to provide coaching or other support to school-related activities.

When will the conclusions of the opinion become effective?

The opinion became effective, with changes requested, upon acceptance by the Commission.

For More Information, Please Contact:

David E. Freel, Executive Director, **or**
Jennifer A. Hardin, Chief Advisory Attorney
(614) 466-7090

**THIS SHEET IS PROVIDED FOR INFORMATION PURPOSES.
IT IS NOT AN ETHICS COMMISSION ADVISORY OPINION.
ADVISORY OPINION NO. 2008-01 IS ATTACHED.**

OHIO ETHICS COMMISSION

Ann Marie Tracey, *Chair*
Ben Rose, *Vice Chair*



8 East Long Street, 10th Floor
Columbus, Ohio 43215
Telephone: (614) 466-7090
Fax: (614) 466-8368
Web site: www.ethics.ohio.gov

David E. Freel, *Executive Director*

Advisory Opinion
Number 2008-01
April 11, 2008

Syllabus by the Ohio Ethics Commission:

- (1) Division (A)(1) of Section 2921.43 of the Revised Code prohibits a public servant from soliciting or accepting, and prohibits any person from promising or giving a public servant, except as allowed by law, any compensation: (a) to perform his or her official duties; (b) to perform any other act or service in his or her public capacity; (c) for the general performance of the duties of his or her public office or public employment; or (d) as a supplement to his or her public compensation;
- (2) R.C. 2921.43(A)(1) prohibits a school district employee who is compensated by the district to provide coaching or other services in connection with any school-related activity from also accepting payment for the same services from any other person, including a booster group or other school support organization;
- (3) R.C. 2921.43(A)(1) prohibits any person, including a booster group or school support organization, from promising or giving compensation to a school district employee for coaching or other services provided by the employee in connection with any school-related activity;
- (4) The Ethics Law and related statutes do not prohibit any person, including a private organization that supports activities of the school, from making a voluntary gift or endowment to the district for use as the district chooses, subject to limitations in the Ethics Law discussed in this opinion;
- (5) The conclusions in this opinion apply to officials and employees of all city, local, exempted village, joint vocational, municipal, and cooperative education school districts and educational service centers, and any community school operating pursuant to a contract as described in Section 3314.03 of the Revised Code.

* * * * *

You have asked several questions pertaining to the source of payments for school district employees performing coaching and other services in connection with sports and other school-related activities. You have asked about the application of the law to a number of different employees paid by the district to provide services under supplemental contracts as permitted by state law: (1) teachers; (2) non-teaching employees; (3) administrators; (4) supervisors; and (5) management-level employees.

Specifically, you have asked whether the Ethics Law and related statutes prohibit school district employees, who are paid by the district to perform coaching and other services, from also receiving compensation from a booster group or other school support organization to perform the same services.

Supplemental Compensation—District Officials and Employees

The supplemental compensation law, R.C. 2921.43(A), applies to any “public servant,” which includes any school district official or employee, including an athletic coach, administrator, supervisor, management-level employee, or teacher, regardless of his or her duties and responsibilities. R.C. 2921.01(A) and (B); Ohio Ethics Commission Advisory Opinions No. 93-017 and 2001-04. R.C. 2921.43(A) provides that no public servant shall knowingly solicit or accept and no person shall promise or give a public servant either:

- (1) Any compensation, other than as allowed by . . . law, to perform the public servant’s official duties, to perform any other act or service in the public servant’s public capacity, for the general performance of the duties of the public servant’s public office or public employment, or as a supplement to the public servant’s public compensation;
- (2) Additional or greater fees or costs than are allowed by law to perform the public servant’s official duties.¹

In order to apply R.C. 2921.43(A)(1) to a situation where a public servant is offered or given something of value, two elements must be established. First, it must be determined whether the thing of value is compensation. Second, it must be determined whether the compensation is being promised or given to the public servant for any of the following purposes:

- (a) To perform his or her official duties;
- (b) To perform any other act or service in his or her public capacity;
- (c) For the general performance of the duties of public office or employment; or
- (d) As a supplement to public compensation.

¹ There are three specific exceptions to this provision, set forth in R.C. 102.03(G), (H), and (I). The exceptions apply to campaign contributions, honoraria, and travel expenses and are not relevant to your question.

The prohibition against a public servant receiving compensation, except as allowed by law, for the performance of his or her public duties prevents the public servant from being in a position of serving two employers and helps to ensure his or her objectivity. Adv. Op. No. 89-013. As explained by the Supreme Court of Ohio, in *Somerset Bank v. Edmund* (1907), 76 Ohio St. 396, 403 and 405:

[I]t is contrary to public policy and sound morals, and a violation of well established legal principles, to permit a public officer to accept an offer of reward for the performance of a service which the law enjoins upon him as a duty. . . . [B]oth public policy and sound morals forbid that he should be permitted to demand or receive for the performance of a purely legal duty any fee or reward other than that established and allowed by law as compensation for the services rendered.

Compensation

The word “compensation” is not defined in or for R.C. 2921.43. The Ethics Commission has explained that, according to a primary rule of statutory construction that words in statutes must be construed according to rules of grammar and common usage and “in light of the mischief they are designed to combat,” “compensation” is defined as “payment for services: esp., wages or remuneration.” Adv. Op. No. 92-014 (referring to R.C. 1.42 and quoting *City of Mentor v. Giordano* (1967), 9 Ohio St.2d 140, 144).

“Compensation” is defined for purposes of the Chapter 102. (the Ethics Law) as “money, thing of value, or financial benefit.” R.C. 102.01(A); Adv. Op. No. 2007-03. While this definition does not apply directly to the use of the term in R.C. 2921.43, it is consistent with the definition the Commission has adopted for “compensation” as used in R.C. 2921.43(A)(1). Adv. Op. No. 92-014.

In other words, any thing of value that is given for services can be compensation, whether it is in the form of cash, tangible goods or chattels, or other financial gains or benefits that accrue to the public servant. The services performed by the public servant may be provided for the specific benefit of the individual offering the compensation or for the general benefit of the public agency and the citizens served by the agency. As the Jackson County Court of Common Pleas explained in *State v. Livesay* (1998), 91 Ohio Misc. 2d 208 at 214:

If words are to be given their ordinary meaning, as is required in R.C. 1.03, then it may be best to begin with the definition of “compensation,” since the legislature chose that word. “Compensation” generally means an exchange in return for or to requite some obligation, tit for tat, so to speak. The legislature could have used the phrase “anything of value” or “payment,” but chose the word “compensation” to require as an element of the crime that there be an exchange, i.e., one person gets something from another.

The Attorney General explained, in an advisory opinion written before 1986, when the Commission was empowered to interpret R.C. 2921.43:

R.C. 2921.43(A) is a codification of the common law rule that a public officer may not receive remuneration other than that allowed by law for the performance of his official duties. (Citations omitted.) Public officials and employees are not permitted to receive payment other than that provided by law for performing those duties for which they are responsible in their official capacity. (Citations omitted.)

1984 Ohio Atty.Gen.Op. No. 84-019. In a more recent case, the Eighth District Court of Appeals contrasted criminal conduct prohibited by the supplemental compensation provision in R.C. 2921.43(A) with that prohibited by the bribery restriction in 2921.02(B): “The bribery statute prohibits a public servant from receiving money to perform his job duties ‘*wrong*,’ while R.C. 2921.43(A) prohibits a public servant from receiving money to perform his job duties ‘*right*.” (Emphasis added.) *State v. Capko* (Mar. 29, 1990), 8th Dist. No. 56814, at 10.

In enacting R.C. 2921.43(A), the General Assembly intended to protect the public by ensuring that a public servant would serve only the public, and the performance of his or her job duties would not be influenced by the public servant’s obligation to any *other* source of compensation. Adv. Op. No. 93-013 (“R.C. 2921.43 (A) is . . . intended to prevent situations where a public servant is answering to both a public and a private master in the performance of his public duties.”) The purpose for which a person offers compensation may be to reward the efforts of a public servant that are directed toward the outcomes favored by the donor. However, the purpose may also be a more benign attempt to recognize exemplary service of the public servant on behalf of the public.

Compensation provided to a school district employee for the services he or she performs coaching or providing support to sports or other school-related activities, from any source other than the district, such as a booster group or school support organization, would be provided in exchange for the general performance of the duties that the district pays the employee to perform or provided as a supplement to his or her public compensation. Therefore, R.C. 2921.43(A)(1) prohibits school district employees who provide coaching or other support to a public activity program from soliciting or accepting compensation other than as allowed by law to perform coaching or other duties related to sports or other school-related activities. For the performance of their public duties, school district employees can receive only the compensation that is provided by the district pursuant to the terms of the employment relationship, and any lawful supplemental contract. See R.C. Chapters 3313. and 3319. This assures that the school district employees are responsive and responsible to the district, rather than to any outside source of compensation.

R.C. 2921.43(A)(1) also prohibits a booster club, school support organization, or any other source from providing compensation directly to school district employees for the performance of coaching duties. The district is the only lawful source of compensation, for coaching duties, to officials and employees engaged to perform those duties.

Gift or Endowment to the District

In some cases, booster clubs, school support organizations, and other sources may want to donate money to the district to support district activities. If an outside source were voluntarily to donate money to the district in order to support sports or other extracurricular activities, it must be determined whether the district can use the funds to provide compensation to employees performing coaching duties.

R.C. 2921.43(A)(1) prohibits compensation to school district employees except as allowed by “provisions of law.” R.C. 3313.36 provides that, upon adoption of a resolution, a board of education may accept “any gift or endowment upon the conditions and stipulations . . . connected with the gift or endowment.” The board is empowered to make all rules required to fully carry the conditions and limitations on which the gift or endowment is made. R.C. 3313.36. However, R.C. 3313.36 also provides: “No such . . . gift or endowment shall be accepted by the board if the conditions remove *any portion of the public schools from the control of the board.*” (Emphasis added.)

A board of education has sole authority to hire, direct, and set the salaries for district employees. See R.C. 3319.01 (superintendent), R.C. 3313.22 (treasurer), R.C. 3319.02 (assistant superintendent, principals, and other administrators), R.C. 3319.03-5 (business manager), R.C. 3319.07-8 (teachers), R.C. 3319.081-2 (non-teaching employees), and R.C. 3313.53 (non-licensed individuals to direct, supervise, or coach pupil activity programs). The board has the authority to evaluate and manage the performance of employees. *Id.* The board also has the authority to retain, terminate, or suspend these employees. R.C. 3319.01, 3319.02(D)(3), 3319.08, 3319.081(C), 3319.16, 3319.172, and 3313.53 (D)(2) and (F).

The Commission must consider the combined application of R.C. 2921.43(A)(1) and the laws governing the operation of school districts. The laws, in concert, require that, while a district can accept a gift or endowment, it cannot accept a gift or endowment that removes any of the board’s control and independent determination, on behalf of the public, over the creation or funding of any position with the district, and the selection, hire, direction, setting of compensation for, evaluation, management, retention, advancement, termination, or suspension of any employee serving in any position with the district.

Therefore, while a district can accept a gift or endowment that the giver intends will be used by the district to fund positions or compensate employees, the district is not required to use the donation as directed by the giver.² Such a direction would remove a portion of the public schools—determining the need for and funding employment positions with the district—from the board’s control. If a school district employee were to receive compensation as directed from an outside source, even if it is passed-through the district, the citizens served by the district could not be assured that their public servants are receiving compensation solely from public funds.

² This opinion does not consider, or reach any conclusions, about endowed faculty positions.

Further, the source of the compensation would be doing indirectly (providing additional compensation, through the district, to the employee for performing his or her job duties) that which it is lawfully prohibited from doing directly. See *City of Parma Heights v. Schroeder* (C.P. 1969), 26 Ohio Op. 2d 119, 122. The Commission has explained that the prohibition against providing compensation applies if the source gives the additional compensation directly to the public official or employee, but also applies when the source gives money intended to compensate specific employees or positions to the public employer who in turn pays it to the official or employee. Adv. Op. No. 2000-04 (a private tour company is prohibited from giving any additional compensation, either directly or through the district, to a school district employee who is accompanying students on a school-related trip as a part of his or her employment).³

For that reason, R.C. 2921.43(A)(1) prohibits the school district from using funds donated to the district by any source to compensate district employees for the performance of any duties related to sports or other school-related activities if the giver requires that the district use the funds for the purpose of compensating employees or positions.

Promising or Giving Compensation—R.C. 102.03(F)

R.C. 102.03(F) is also relevant to your question. R.C. 102.03(F) provides:

No person shall promise or give to a public official or employee anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person's duties.

Any school district official or employee, except any teacher whose position does not involve the performance of, or authority to perform, administrative or supervisory functions, is a public official or employee for purposes of R.C. 102.03(E). R.C. 102.01(B) and (C); Adv. Op. No. 2001-04. A "person" is any individual, corporation, partnership, association, or other similar entity. See R.C. 1.59. Compensation for services is within the definition of anything of value. R.C. 1.03, 102.01(G); Adv. Op. No. 96-004.

The Commission has explained that R.C. 102.03(F) would prohibit any person or entity that is doing or seeking to do business with, regulated by, or interested in matters before a public agency from promising or giving compensation for services to any official or employee of the agency. Adv. Op. No. 96-004. Because a booster group or school support organization is interested in matters before the district, it would be prohibited from promising or giving compensation to any official or employee of the district. The Commission has further explained that, if an official or employee can withdraw completely from matters that affect any source of compensation to him or

³ However, R.C. 2921.43 does not prohibit the district from acting to secure funds, from grant issuing organizations or other sources, provided that the district retains control to determine the use of the funds. For example, the law would not prohibit the district from applying for a grant with the intention of funding a particular employment position, provided that it is the district, rather than the grant issuer, that selects and directs the activities of the employee.

her, R.C. 102.03(F) does not prohibit the source from providing compensation to the official or employee.

In the situation you have described, it would be impossible for a person performing coaching or other support duties related to sports or other school-related activities to withdraw from matters affecting a booster club or other organization established to support the sports or other school-related activities. For that reason, R.C. 102.03(F) prohibits the organization from providing compensation for the performance of coaching duties to any person engaged in the performance of those duties. See also R.C. 102.03(D) and (E) (an employee of the district would be prohibited from using his or her position to secure, and from soliciting or accepting, such compensation from a booster club or other organization established to support the activities of the school district).

However, R.C. 102.03(F) would not prohibit an organization from making a voluntary gift or endowment to the school district, provided that the organization does not require that the district use the funds to provide compensation to employees or to fund positions. It must be clearly understood that, by making such a gift or endowment, the organization gains no control over the district's use of the gift or endowment, and no control over the establishment and funding of district positions, or the selection, hire, management, retention, or level of compensation of individuals serving in those positions.

School Districts Affected

The Ethics Commission was asked whether school district employees could accept compensation from sources other than the district for performing coaching duties. The restrictions discussed in this opinion apply to employees of all school districts in the state, including all city, local, exempted village, joint vocational, municipal, and cooperative education school districts and educational service centers. The conclusions also apply to all officials and employees of any community school operating pursuant to a contract as described in Section 3314.03 of the Revised Code.

This advisory opinion is based on the facts presented. It is limited to questions arising under Chapter 102. and Sections 2921.42 and 2921.43 of the Revised Code, and does not purport to interpret other laws or rules.

Therefore, it is the opinion of the Ohio Ethics Commission, and you are so advised, that: (1) Division (A)(1) of Section 2921.43 of the Revised Code prohibits a public servant from soliciting or accepting, and prohibits any person from promising or giving a public servant, except as allowed by law, any compensation: (a) to perform his or her official duties; (b) to perform any other act or service in his or her public capacity; (c) for the general performance of the duties of his or her public office or public employment; or (d) as a supplement to his or her public compensation; (2) R.C. 2921.43(A)(1) prohibits a school district employee who is compensated by the district to provide coaching or other services in connection with any school-related activity from also accepting payment for the same services from any other person,

including a booster group or other school support organization; (3) R.C. 2921.43(A)(1) prohibits any person, including a booster group or school support organization, from promising or giving compensation to a school district employee for coaching or other services provided by the employee in connection with any school-related activity; (4) The Ethics Law and related statutes do not prohibit any person, including a private organization that supports activities of the school, from making a voluntary gift or endowment to the district for use as the district chooses, subject to limitations in the Ethics Law discussed in this opinion; and (5) The conclusions in this opinion apply to officials and employees of all city, local, exempted village, joint vocational, municipal, and cooperative education school districts and educational service centers, and any community school operating pursuant to a contract as described in Section 3314.03 of the Revised Code.

A handwritten signature in black ink, reading "Ann Marie Tracey". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Ann Marie Tracey, Chair
Ohio Ethics Commission