

School Foundations

The Board of Education considers the establishment of building level educational foundations as an appropriate partnership between the school and community. The primary purpose of such foundations shall be to receive and manage assets for subsequent distribution which shall financially support the district's adopted strategic plan.

The purpose of educational foundations will include but not be limited to:

1. Serving as a philanthropic, non-profit organization that supports the district's adopted strategic plan and/or the educational quality of the school they represent.
2. Raising funds and acquiring contributions.
3. Providing a review committee for allocation and disbursement of funds.

Organization

School foundations will be independent of the school. Size and composition of the board of directors should represent various segments of the school community.

For internal control purposes, the school administrator should not be the Board president.

Financial

All foundations will operate as a 501 (c)(3) organization. Under this option, the foundation shall:

- Operate as a non-profit corporation, independent of the district and have control of all monies collected.
- Have a set of by-laws describing the operation of the organization.
- Apply for 501(c)(3) status and file an annual Internal Revenue Service Form 990 tax return. Copies of each of these shall be filed with the district's financial services department.
- Have its own bank account with at least two (2) signatures required on each check.
- Apply for and use its own tax identification number.
- Apply for and use its own local and state sales tax license.
- Purchase general liability insurance that meets or exceeds the following specifications: The policy limit of liability shall not be less than \$1,000,000 per occurrence for claims arising out of bodily injury, death and property damage. The policy form must include premises liability, products and completed operations liability, personal and advertising injury liability, contractual liability, at least \$100,000 damage to rented premises coverage, and at least \$1000 medical payments coverage. The policy must be endorsed to include the district as an additional insured, with 30 days notice of cancellation provided to the district. Only occurrence policy forms are

acceptable; claims-made policy forms are not acceptable. The district will accept policies written only by insurers legally authorized in the state of Colorado and rated by A.M. Best Company not lower than "A-VII". The parent organization must file a current certificate of liability insurance, evidencing the issuance of insurance meeting these specifications, annually with the district's internal auditor.

- Use their non-profit corporation name when entering into any contracts and/or permits. A designated officer of the non-profit corporation must sign all contracts and/or applications for permits. (No contracts or permits should be in the district or school name.)
- Prepare and submit an annual financial report, including at a minimum a balance sheet and income statement, to the district's financial services department by July 31st each year. The district is requesting a copy of the same financial report used as a measure of financial accountability with its members, as specified in the organization's by-laws.
- Either arrange for an external assessment of the organization's financial records on an annual basis or complete an annual self-assessment checklist of their procedures and compliance with Board policies and state and federal laws. The district's internal auditor shall provide the self-assessment checklist. In either case the results shall be filed, along with the annual financial report, with the district's financial services department by September 30 each year. If the self-assessment checklist is used annually, the organization shall arrange for a formal external assessment by an experienced accounting professional at least once every three (3) years.
- Cooperate with the district's internal auditor during the assessment process.
- Ensure that all donations be made in compliance with Board policy KCD, Public Gifts to Schools.
- Participate in an annual training session put on by the district's financial services department to provide training for new officers and ensure that each organization is knowledgeable of any pertinent changes in Board policy and state or federal law.

Meetings

Four (4) or more regular meetings of the board of directors will be held each budget year (July through June).

Disclaimer

District insurance does not cover foundations organized as non-profit corporations. Furthermore, the district is not liable or responsible for loss of their property or money, or the decisions made by the non-profit corporation, its board, or its officers. The non-profit corporation is encouraged to investigate and purchase appropriate officer's liability insurance, property insurance, and crime insurance (fidelity bond), in addition to the general liability insurance required by the district.

Following the above steps should result in strong organizational management with adequate levels of accountability to the stakeholders. In rare situations an organization may be unable to meet all of the outlined commitments and may appeal to the district's finance and audit committee for a waiver from a particular requirement.

Adopted: February 12, 1992
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Revised: October 28, 2015

St. Vrain Valley School District RE-1J, Longmont, Colorado