**ALABAMA DEPARTMENT OF EDUCATION   
FINANCIAL PROCEDURES FOR LOCAL SCHOOLS  
APPROVED JUNE 10, 2010**

* Specific Requirements Parent organizations and booster organizations that maintain financial operations outside the control of the school could create a negative image for the school by failing to maintain proper accounting controls. Accountability for the funds these organizations control includes an agreement that:

a) The organization has obtained an employer identification number from the IRS.

b) The organization provides a report of the annual audit of the organization to the school.

c) The organization makes its financial records available to the school’s auditors and authorized school employees upon request.

d) The organization provides required financial reports.

e) The organization provides proof of a fidelity **bond for the treasurer.**

f) The organization will not provide any payment or benefit to a school employee (or family member of a school employee) in violation of the State Ethics Law.

* Parent Organizations Parent and parent/teacher organizations provide a vital role in the education of students. In Alabama public schools, the PTA and the PTO are the most common parent organizations. Many parent organizations join a national organization that serves the individual school organizations. Each of the national organizations publishes guidance for the financial operations of the individual school organizations. These organizations must have a separate employer identification number (EIN) and a separate mailing address in order to maintain their own records and accounts outside the control of the school.
* However, these organizations will become school activities if:
* a) Both parties mutually assent to the fiduciary control of the principal,
* b) A school employee leads fund-raising or maintains the accounting records for the organization.