

**Policy Statement #5700 (Business) of the Board of Education
Regarding the Financial Operations of School-Related Organizations and
External Organizations Working in Schools on Behalf of Students**

- I. Purpose
 - A. To provide a standard framework for the financial operations of school-related organizations
- II. Definitions
 - A. School-related organizations – for the purposes of this policy, organizations, groups, and clubs which are under the fiduciary control of the Superintendent or designee
 - B. External organizations – organizations, groups, and clubs which are outside of the fiduciary control of the Superintendent or designee and possess a separate employer identification number as provided by the Internal Revenue Service
- III. Policy Statement
 - A. The Board of Education recognizes that many groups exist throughout the school system that serve to support the school environment and the students. At the same time, it is essential that the management of funds by school-related organizations is clear and that processes exist to ensure that transactions are made in compliance with all legal and ethical standards. Therefore, the Board will ensure there is a consistent, system wide approach to the financial operations of school-related organizations. Independent parent and external organizations must submit to specific requirements before the organizations can operate within our schools on behalf of the students.
- IV. Delegation of Authority
 - A. The Superintendent is directed to develop administrative procedures to implement this policy in accordance with all local policies and local, state and federal laws and regulations and to communicate this policy and accompanying procedures to all relevant parties.
- V. Exceptions
 - A. There are no exceptions to this policy. However, the Board, by majority vote, may temporarily suspend all or part of this policy. Suspension of all or part of this policy, however, in no way relieves the Board of its obligation to comply with the pertinent local, state and federal laws and regulations and the rules and regulations of the Maryland State Board of Education and the Maryland State Department of Education.
- VI. Review
 - A. This policy will be reviewed at the end of four years or sooner, if approved by majority vote of the Board of Education in public session.

VII. Effective Date

- A. This policy is effective February 6, 2020.

Citations

State Law:

State Reg.:

Federal Law:

Adm. Reg.:

Neg. Agr.:

Other Citation: GASB 84

Related Policies: 1740 Ethics