

Chapter 2

**Parent-Teacher Associations,
Booster Groups and Other
School Support Organizations**

SUPPORT ORGANIZATIONS

CHAPTER 2

PARENT-TEACHER ASSOCIATIONS, BOOSTER GROUPS AND OTHER SCHOOL SUPPORT ORGANIZATIONS

2-1. General:

It is recognized that parent-teacher associations, booster groups and many other school support organizations provide an essential function in the support and funding of various curricular and extra-curricular programs offered by the public schools throughout the State. Countless hours are devoted by teachers, parents and other school supporters in fund raising activities to provide the funds and donate the uniforms and equipment necessary for such programs. Without this support, many schools would not have the financial resources to provide many of the programs that are being provided to their students.

Fundraising activities must be covered by liability insurance. The school board's Commercial General Liability Policy through the Board of Risk and Insurance Management (BRIM) generally includes elected or appointed officials, faculty members, employees, volunteers and student teachers acting within the scope of their duties, regardless of whether on school grounds. Volunteers must be acting on behalf of the school board when participating in fundraising activities in order to be covered by the school board's liability insurance. The monies from fundraising activities undertaken on behalf of the school board must be deposited in to the depository account of the school. Therefore, volunteers working for a school support organization with a separate FEIN number and/or 501(c)3 status are not covered by the school board's policy. It is the responsibility of the school support organization to ensure that adequate liability insurance is obtained for the organization's fundraising activities.

In order for these outside organizations to be effective in their efforts to provide financial support, however, they must maintain the trust and support of the school community. To do this, it is essential that each school and all of the organizations that support the school maintain an accurate accounting of all funds collected and expended.

County boards of education can assist the school support organizations to develop and maintain the trust of the school communities throughout the county by establishing local policies by which such organizations are to operate. A list of all groups that will be collecting funds in the name of any school must be approved by the board in advance. Also, each school support organization must be approved annually by the school's principal. It is strongly encouraged that student support organizations operate as a subaccount of the school's general fund and follow all school accounting procedures.

2-2. Organization:

Every school support organization should be officially organized with a set of published

by-laws and be governed by an elected board of directors consisting of at least a president, a vice president, a secretary and a treasurer. All school support organizations must be approved annually by the county board of education.

Written minutes are to be prepared of each meeting and such minutes are to be made available to anyone interested in them within a reasonable time after the meeting. At a minimum, the minutes should contain the following information:

- The date, time and place of the meeting,
- The name of each member of the governing board present and absent; ,
- All motions, proposals, and resolutions proposed, the name of the individual who made the proposal and their disposition, and
- The results of all votes.

2-3. Transaction Journal:

A transaction (receipts and disbursements) journal should be maintained to record all receipts and disbursements. Each posting should include the following: the date of the transaction; receipt or check number listed in numeric order, name of payor or payee; and individual account(s) for which the collection or disbursement was made.

The transaction journal should be footed and cross-footed each month to ensure that errors have not been made. The entries in each column are added to arrive at a total and the totals of each column are added across to arrive at the grand total for the month. If errors are found to exist, they must be identified and corrected as soon as possible, using correcting journal entries. Proper accounting procedures dictate that errors should not be written over or corrected with correcting fluid. The necessary journal entries should be made and should include a brief explanation of why the adjusting entries were made.

2-4. Bank Accounts:

Every bank account in which the organization funds are deposited should be insured or the bank should be required to provide adequate bond to cover the maximum amount that may be deposited at any one time. The account should contain the name of the organization and the organization's Federal Employer Identification Number (FEIN). The account cannot use the school's FEIN. If the organization does not obtain a separate FEIN, the organization must operate as a subaccount of the school's funds and the organization's monies must be deposited into the school's bank account. In this case, all school accounting policies and procedures must be followed.

The bank signature cards must be maintained current at all times. Two signatures are required on every check issued by the organization. One of the signatures should be that of the organization's president. Both signatures cannot be by the same individual.

All checks should have pre-printed on them the name of the organization, the organization's address, the check number and two blank spaces for signatures.

2-5. Collections:

All moneys collected should be receipted and deposited intact daily into one of the organization's depository accounts.

The total amount of money collected should be reconciled to the detailed records that support the collections.

To decrease the risk of theft, each check received by the organization should be stamped or marked on the back with a restrictive endorsement stating "for deposit only" at the time of receipt.

2-6. Disbursements:

All disbursements must be made by check, except for those from petty cash. The check must be made payable to the individual or vendor to whom the payment is being made, not to another party that is subsequently making payment on behalf of the organization. Every check and check stub must be completely filled out at the time the check is issued.

Checks are not to be made payable to cash. If starting cash is needed for an event from which to make change, the check must be made payable to the individual who will be cashing the check.

If an error is made while preparing a check, void the check and issue another one. Never write over an original entry to make a correction or use correcting fluid to cover a mistake on a check.

To void a check, write the word "VOID" across the face of the check and check stub. Retain the voided check and file in numeric order with all checks paid by the bank. Leave the check stub for the voided check in the checkbook. Never discard voided checks or check stubs.

The following information must be imprinted on the check form:

- Name of the organization
- Organization address
- Check number
- Account number

The check form must also provide spaces for two signatures. The memorandum line is not to be used as the second signature line.

2-7. Posting Disbursements:

All checks issued must be posted daily to the transaction journal. The checks are to be posted individually to the journal in numeric order. Checks may not be posted in a batch.

2-8. Concession Sales:

If concession stands are operated by a school organization, local procedures should be established to safeguard the inventory of goods sold to protect against pilferage or unauthorized use.

All proceeds from concession sales operated by a school support organization should be receipted and deposited intact and in a timely manner into one of the organizations depository accounts. Merchandise purchased for resale should be purchased by check issued for that purpose. In addition, the purchase invoices should be retained as documentation for the disbursements.

Periodically, a profit and loss statement must be prepared to compare actual sales proceeds to the expected sales totals that should have been recognized from the amount of merchandise sold. See Appendix A for sample copies of the forms to be used.

2-9. Fund Raisers:

All school support organizations must obtain prior approval of the school principal before conducting any fund raising activity in the name of a school. See Appendix A for a sample Fundraiser Approval form. Local procedures must be established to regulate all fund raising activities conducted by school organizations to ensure that they are conducted in a proper manner.

All proceeds from fund raisers conducted by a school organization must be receipted and deposited intact into one of the organization's depository accounts. Merchandise purchased for resale should be purchased by checks issued for that purpose. In addition, all purchase invoices should be retained as documentation for the disbursements.

A profit and loss statement must be prepared for each fund raising activity conducted by a school support organization that shows gross proceeds, cost of goods sold and net proceeds. See Appendix A for a sample copy of a fund raiser profit and loss statement.

In addition, certain fund raising activities are subject to the collection and remittance of consumer's sales tax. See Section 1-38 and Appendix B for more information.

Donations to school support organizations are only tax-exempt if the organization has obtained its own tax-exempt designation from the Internal Revenue Service or if the organization's funds are maintained in the school's account. Donors must be made aware of tax-exempt status at the time the donation is received.

2-10. Event Receipts:

If activities are sponsored by school support organizations on school property at which an admission fee is charged or a donation is accepted for admittance, pre-numbered tickets must be used. Whenever practical, separate individuals should be used to sell and collect the tickets. As tickets are collected from patrons, they should be torn in half; one half should be returned to the individual as a receipt and the other half should be retained.

A ticket reconciliation report must be prepared for each event to reconcile tickets sold to cash collected. The report should show the following: beginning cash balance; first and last numbers of each type of ticket sold (student, adult, other); total number of tickets sold by type; price of each type of ticket; total sales; ending cash balance; total cash in cash box; and differences, if any. In addition, total sales from tickets sold prior to the event should be shown.

The reconciliation report should also show the activity and date, and should be signed by the preparer and the individual in charge of the event. See Appendix A for sample copies of the forms to be used.

2-11. Reconciliation of Bank Statements:

Every bank account must be reconciled monthly as soon as possible after the bank statements are received, including any CD and investment accounts.

Any differences noted between the balance reflected in the organization's financial records and the bank statement must be resolved immediately. After the bank reconciliations are completed, the bank reconciliations are to be signed and dated by the individual who performed the reconciliation.

All bank statements are to be filed in chronological order. Canceled checks are to be filed either in numeric order with the monthly bank statements or in a separate canceled check file in numeric order by fiscal year. In situations where a bank is providing only an image of the canceled checks with the bank statements rather than returning the actual canceled checks, the bank must be able to provide an image of both the front

and back of every check upon request.

Voided checks are to be retained and filed in the correct numeric sequence with the canceled checks.

2-12. Annual Financial Statements:

Annual financial statements are to be prepared by each school support organization and a copy is to be provided to the school principal. They should be prepared on either a fiscal year basis of July 1 through June 30 or in accordance with the organization's fiscal year, and are to include all financial activities of the organization for the year for which prepared.

At a minimum, the financial statements should list the organization's cash balance at the beginning of the year, revenues collected during the year, expenditures paid during the year, and the cash balance at the end of the year. If any sub-accounts are maintained by the organization, they should be listed separately.

The financial statements are to be signed by the preparer and the organization's president. See Appendix A for a sample copy of the form to be used.

In addition to the annual financial statements, a list should be prepared which lists all invoices that have not been paid at the end of the year and all revenues, if any, that have not been received.

2-13. Consumer Sales Tax on Purchases:

Private nonprofit organizations such as Parent Teacher Associations, booster groups and other school support organizations, are not exempt from paying the consumer sales and use tax by reason of their nonprofit status alone, but must meet very specific requirements contained in State tax laws and legislative regulations. See Appendix B for an explanation of these specific requirements.

One of the requirements is that the organization must be currently registered with the West Virginia Department of Tax and Revenue and have a business registration certificate. Each organization must have its own business registration certificate; private nonprofit organizations are not to use the school's registration number.

2-14. Consumer Sales Tax on Sales:

Private nonprofit organizations that meet the requirements set forth in the preceding section for making tax exempt purchases may also make casual and occasional sales for fund raising purposes and not be required to collect and remit consumer sales tax on

their sales.

For the purpose of this exemption, “casual and occasional sales” means fund raising events not conducted in a repeated manner or in the ordinary course of repetitive and successive transactions.

These fund-raising events are limited to six events (which last no more than eighty-four consecutive hours each) in any twelve month period. Any fund-raising event which lasts more than eighty-four hours will be considered as two or more events, depending upon the duration of the event.

If an organization holds more than six events during the course of a twelve month period, it must begin collecting and remitting consumer sales tax on all sales made at these succeeding events.

In addition to the exemption for “casual and occasional sales” discussed in the preceding paragraphs, certain other special exemptions may apply. For example, special exemptions apply to certain sales of food by school support organizations:

- Sales of food on an occasional basis, such as a bake sale, by private nonprofit organizations are exempt if the purpose of the sale is to obtain revenue for the functions and activities of the organization and the revenue so obtained is actually expended for that purpose. No exemption certificate is necessary.
- Sales of food by private nonprofit organizations on a recurring basis, such as through concession stands, if the purpose of the sales is to obtain revenue for the functions and activities of the organization and the revenues obtained from selling the food are actually used for that purpose: provided that the food items purchased for resale are not purchased tax exempt.

2-15. Business Registration Certificate:

As discussed in Section 2-13 on a preceding page, in order for a private nonprofit organization to be able to issue a tax exemption certificate for purchases, the organization must register with the West Virginia Department of Tax and Revenue and obtain a business registration certificate (W. Va. Code 11-12-3). Private nonprofit organizations, however, are exempt from payment of the registration fee.

In applying for a business registration certificate, each organization must have its own business registration certificate and identification number; private nonprofit organizations are not to use the school’s registration number.

2-16. Review of Financial Records:

Boards of education have the authority, pursuant to the provisions of W. Va. Code 18-5-13(1), to examine the financial records of any parent teacher association, booster group or other school support organization collecting money in the name of a school, or to require the organization to provide the county board with financial statements that have been examined by an independent accountant. Such authority can be delegated to the Superintendent or Chief School Business Official.

The financial records may be examined in accordance with agreed upon review procedures developed by the county board. Such procedures, however, should include a review of compliance with the provisions of this manual and policies and regulations of the county board.

Copies of the report are to be provided to the county board of education, to the superintendent and to the school principal.

If any reportable conditions are noted in the report, the president of the organization is to provide the board with a corrective action plan. All reportable conditions are to be corrected as soon as practical but not later than six months after receipt of the report.

2-17. Records Retention:

All financial records, minute books and other documents maintained by or in the name of a school organization belong to the organization and must be delivered or handed over to the duly elected president of the organization, or to the county superintendent of schools, upon request.

Copies of the organization's annual financial statements and minute books are to be retained permanently. The transaction journal, bank statements, and canceled checks are to be retained for at least five (5) years. All other financial records are to be retained for at least three (3) years.

APPENDIXES

APPENDIXES

APPENDIX A

APPENDIX A

BANK RECONCILIATION

School _____

For the month of _____

BALANCE PER BANK STATEMENT

\$ _____

Deposits in Transit:

Deposit Date	Amount	Deposit Date	Amount

Total Deposits in Transit

+ _____

Outstanding Checks:

Check Number	Amount	Check Number	Amount

Total Outstanding Checks

- _____

Bank Charges (Service Fees, etc.)

+ _____

Adjustments (Bank Errors, etc)

+/- _____

BALANCE PER BOOKS

= _____

Prepared by _____ Date _____

Approved by _____ Date _____

EMPLOYEE TRAVEL EXPENSE REIMBURSEMENT REQUEST

Name: _____

School: _____

Purpose for travel: _____

Date	Destination	Miles Driven	Mileage Amount		Lodging		Meals		Other Expenses		Totals			
	To:													
	From:													
	To:													
	From:													
	To:													
	From:													
	To:													
	From:													
	To:													
	From:													
	To:													
	From:													
	To:													
	From:													
	To:													
	From:													
	Totals													
											Less: Cash Advance			
											Due School	<input type="checkbox"/>		
											Due Employee	<input type="checkbox"/>		

Note: All required receipts must be attached to this request to fully support the travel expenses listed above. Also, the nature of any expenses listed under "Other Expenses" must be fully explained

I certify that the expenses listed above were incurred in connection with my assigned duties, are true and accurate, and do not involve any expenses incurred by anyone else or reimbursed from any other source

I certify that I have personally examined this request, the expenses listed were necessary and agree with reports of work performed.

Traveler

Date

Principal

Date

FACULTY SENATE TEACHER ALLOTMENT ITEMIZED EXPENDITURE SCHEDULE

School Name: _____

Employee Name: _____ Date: ____/____/____

Current Account Balance: \$ _____

Date	Vendor	Item(s) Purchased	Cost
		TOTAL	

Amount Approved

\$_____

New Account Balance: \$

Note: This form must be accompanied by an original receipt supporting the request. To expedite processing, please highlight the items noted above on the receipt. No reimbursements will be made without a receipt.

Employee Signature _____ Date _____

Approval Signature _____ Date _____

FACULTY SENATE BUDGET

School

For Fiscal Year Ended

REVENUES:

Beginning balance

Current year Faculty Senate allocation

Other Revenue

Total Revenues

\$

-

EXPENSES:

Teacher Allocation

Classroom Supplies

Classroom Equipment

Library Supplies

Library Equipment

Copier Rental/Supplies

School Office Supplies

School Office Equipment

Other

Other

Other

Other

Other

Total Expenses

\$

-

Total revenues must equal total expenses.

Faculty Senate Treasurer Signature

Date

Faculty Senate President Signature

Date

Principal Signature

Date

FUND RAISER PROFIT/(LOSS) STATEMENT

For The Period ____/____/____ Through ____/____/____

SCHOOL NAME: _____

CLUB OR ORGANIZATION NAME: _____

PRODUCT TO BE SOLD: _____

VENDOR PURCHASED FROM: _____

VENDOR'S ADDRESS: _____

SCHOOL PO NUMBER: _____ INVOICE NUMBER: _____

INVOICE AMOUNT: \$ _____ DATE PAID: _____ CHECK NO. _____

COST PER ITEM: \$ _____

SUMMARY OF RECEIPTS AND DISBURSEMENTS

Cash Receipts:

Merchandise Sales	\$	
Donations		_____

_____		_____
_____		_____
_____		_____

TOTAL Cash Receipts \$ _____

Cash Disbursements:

Cost of Goods/Merchandise Sold	\$	
Cost of Prizes Awarded		_____

_____		_____
_____		_____
_____		_____

TOTAL Cash Disbursements \$ (_____)

GROSS MARGIN or BALANCE \$ _____

LESS: Sales Tax Collected (If applicable) \$ (_____)

NET PROFIT/(LOSS) ON THIS ACTIVITY \$ _____

Preparer's Signature Date

Principal's Signature Date

TEACHER'S CASH RECEIPTS REPORT

School: _____ Date: _____
Activity: _____
Name of Club or Organization (If Applicable): _____

	Student's Name	Cash	Check	Amount Collected
1				0.00
2				0.00
3				0.00
4				0.00
5				0.00
6				0.00
7				0.00
8				0.00
9				0.00
10				0.00
11				0.00
12				0.00
13				0.00
14				0.00
15				0.00
16				0.00
17				0.00
18				0.00
19				0.00
20				0.00
21				0.00
22				0.00
23				0.00
24				0.00
25				0.00
Total Cash				0.00
Total Checks				0.00
Total Collected				0.00

I hereby certify that this is an accurate and complete record of all transactions for the activity noted above.

Teacher's Signature Date

Office Personnel's Signature 45 Date

Receipt #

Ticket Log

Ticket Stock Description

Ticket Stock Number Series

[illegible]

INDIVIDUAL TICKET SELLER'S REPORT

School _____ Date _____

Activity _____

_____ vs. _____

<u>TICKET SALES:</u>	<u>Number of Tickets Sold</u>	<u>Price Per Ticket</u>	<u>Amount Collected</u>
Reserved Tickets:			
Ending Ticket Number	_____		
Less: Beginning Ticket Number	(_____)		
Total Reserved Tickets Sold	_____	x \$ _____	= \$ _____
Adult Tickets:			
Ending Ticket Number	_____		
Less: Beginning Ticket Number	(_____)		
Total Adult Tickets Sold	_____	x \$ _____	= \$ _____
Student Tickets:			
Ending Ticket Number	_____		
Less: Beginning Ticket Number	(_____)		
Total Student Tickets Sold	_____	x \$ _____	= \$ _____
Other Tickets:			
Ending Ticket Number	_____		
Less: Beginning Ticket Number	(_____)		
Total Other Tickets Sold	_____	x \$ _____	= \$ _____
Total Number of Tickets Sold	=====		
Gross Monies Collected			\$ _____
ADD: Starting Cash			\$ _____
TOTAL MONIES RETURNED TO PRINCIPAL			\$ _____

Seller's Signature _____

Principal's Signature _____

NOTE: All sellers sheets are to be attached to the Composite Game Sales Report.

COMPOSITE TICKET SALES REPORT

School _____ Date _____

Activity _____

_____ vs. _____

	<u>Number of Tickets Sold</u>		<u>Price Per Ticket</u>		<u>Amount Collected</u>
Reserved Tickets Sold at Gate (See Note 1)	_____	x	_____	=	\$ _____
Adult Tickets Sold	_____	x	_____	=	\$ _____
Student Tickets Sold	_____	x	_____	=	\$ _____
Other Tickets Sold	_____	x	_____	=	\$ _____
Total Number of Tickets Sold	=====				
Total GROSS Gate Receipts				A.	\$ _____
Amount of Starting Cash				B.	\$ _____
TOTAL GROSS RECEIPTS DEPOSITED IN BANK (C = A + B)				C.	\$ _____

Preparer's Signature _____

Principal's Signature _____

NOTES: (1.) All advanced season tickets are deposited under a separate sheet and not included in game by game report. (2.) Please ATTACH each individual ticket seller's report and a copy of the bank deposit slip to support this report.

Sample Statement of Revenues, Expenditures, and Changes in Fund Balance For School Support Organizations

School Support Organization _____

School _____

Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended _____

Revenues:

Gifts & Contributions	_____
Investment Income	_____
Fundraising	_____
Other Revenues	_____
Total Revenue:	_____

Expenditures:

Program Services	
Fundraising	
Filing Fees	_____
General Administration	_____
Other Expenditures	_____
Total Expenditures:	

Excess (Deficiency) of Revenues
over Expenditures

Beginning Fund Balance:	+	_____
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Ending Fund Balance:	=	_____
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Prepared By _____	Date _____
-------------------	------------

Approved By _____	Date _____
-------------------	------------

**Sample Balance Sheet
for School Support Organizations**

School Support Organization _____

School _____

Balance Sheet

For the Year Ended _____

Assets:

Cash	_____
Investments	_____
Accounts Receivable	_____
Capital Assets	_____
Other Assets	_____
 Total Assets	 _____ 0.00

Liabilities:

Accounts Payable	_____
Notes Payable	_____
Long-Term Liabilities	_____
Other Liabilities	_____
 Total Liabilities	 _____ 0.00
 Fund Balance	 _____ 0.00

Prepared By _____ Date _____

Approved By _____ Date _____

APPENDIX B

APPENDIX B



ABC's Of Sales And Use Tax For Public Schools

In light of major changes to the West Virginia sales and use tax laws that affect elementary and secondary schools, each public elementary and secondary school must review its tax practices to assure proper compliance. Each individual school must register with the Department of Tax and Revenue to establish a sales tax account for remittance of taxes collected upon taxable sales. Schools that directly purchase also must register to claim exemption from tax upon their purchases. Registration forms and information may be obtained by contacting the Taxpayer Services Division as indicated at the end of this publication. This publication provides general information regarding typical transactions of public schools, and is not a substitute for sales and use tax laws or regulations. Publication TSD-312A discusses private elementary and secondary schools.

PURCHASES

All purchases of tangible personal property and services by public schools are exempt from sales tax if the school issues a properly completed Certificate of Exemption (Form F0003) to the vendor.

SALES, GENERALLY

Unlike purchases by public schools, sales by public schools are taxable in many instances. Unless there is a specific exemption in the sales tax law, all sales, leases and services in West Virginia are taxable, even sales by or through public schools. The burden of proving that a sale was exempt from tax is upon the seller. School officials should ensure that sales tax is imposed on all sales of items that are not specifically exempt.

Sales tax applies not only to sales by schools themselves, but to sales by school employees, school related organizations like the PTA, and businesses when the sales are made at or through the schools or school children. As a result of recent changes in the laws, retail sales by many out-of-state businesses (including mail order sales) in this state are now subject to use tax when the out-of-state retail business has agents or other physical presence in the State. When school officials and school personnel assist such businesses in making sales and receive benefits from such sales, they become agents of the businesses. The safest way to ensure that tax is imposed is for the school itself to collect and remit the tax whenever the school, students or other related persons are involved in a nonexempt sale.

The following discussion outlines some of the major sales tax exemptions applying to typical school-related transactions.

SALES OF ITEMS OTHER THAN FOOD

The following sales by public schools are exempt from sales tax:

- (1) Sales of textbooks, workbooks, instructional aids, and standardized examination materials required in any public elementary or secondary school in this State are exempt per se, so no sales tax or use tax is collected upon such sales. However, sales of other school materials, school supplies and books that are not required textbooks are taxable, as are sales of jewelry, candy, clothing items, posters, magazines, greeting cards, and all other items not specifically exempt. The school must keep sufficient books and records to differentiate between taxable and exempt sales.
- (2) School newspapers and yearbooks compiled and edited by students of the school are exempt when sold to students or school employees. However, such sales are taxable when sold to others. Sales of advertising space in school newspapers and yearbooks are exempt from sales tax.
- (3) Rentals of locks, lockers, storage space, clothing and other materials and equipment owned by public schools and furnished solely to students of the school are exempt from sales tax.
- (4) Class dues and library fines are exempt from sales tax.
- (5) Sales of tickets for activities sponsored by elementary and secondary public schools located within this State are exempt from sales tax. This exemption applies only to sales of tickets to such activities; it does not apply to sales of anything else, such as sales of merchandise. Sales of tickets to athletic, cultural and social events, as well as fund raising events, would be exempt as long as they are sponsored by the school. But sales to such events would not be exempt if they are not sponsored by the school, even if the event occurs on school property. For an activity to be sponsored by a school, it should be an activity which is organized solely to benefit the school's

students, and which would not otherwise occur. For example, sales of tickets for admission to a school carnival held by parents to raise money for such things as art supplies and air conditioners for classrooms are exempt as fund raising events if the carnival was held on the school grounds and the carnival was promoted as an activity to raise money for the school or for some school related purpose, such as a school sponsored class trip. On the other hand, sales of tickets to carnivals, concerts, circuses, ball games and other such events are subject to tax when conducted by businesses for profit, even if the school receives a share of the proceeds from the event.

(6) Casual and occasional sales by a parent-teacher association (PTA) or similar organization are exempt if the organization (1) has a current business registration certificate; and (2) is exempt from federal income taxes under Internal Revenue Code § 501(c)(3) or § 501(c)(4); and (3) is an organization with no paid employees and whose gross income from fund raisers, less reasonable and necessary expenses to raise such gross income (or the tangible personal property or services purchased with such net income), is donated to the public school. If any of the foregoing conditions are not met, casual and occasional sales are taxable. For example, sales of such items as class photographs, class rings and school jackets are taxable when sold by for-profit organizations and individuals, because for-profit organizations and individuals are not exempt from federal income taxes under Section 501(c)(3) or Section 501 (c)(4) of the Internal Revenue Code. To qualify as a casual and occasional sale, a fund raiser may last no longer than 84 consecutive hours (i.e., three and one half days) and no more than six such fundraisers may occur in any consecutive twelve months period. For more information, see Publication TSD-320, "Sales and Use Tax Considerations for Nonprofit Organizations."

ILLUSTRATION

Moe Doe, a professional photographer, takes class photographs for various schools as part of his photography business, which is subject to sales tax. Moe has a current business registration certificate and employs a secretary/receptionist. Sales tax must be charged on the sales price of the class photographs for each of the following reasons. First, since Moe is in the business of photography, his services are not casual and occasional sales. Second, Moe is not a PTA or similar organization. Third, because he is a professional photographer, Moe is not a qualified Section 501 (c)(3) or Section 501 (c)(4) organization. And fourth, because taking class photographs is part of his business, Moe does not donate all of his earnings from such activities to the schools. The fact that Moe's services are provided to public school students does not make his services exempt from sales tax. The school should either be sure that Moe is collecting sales tax, or the school itself should collect and remit the tax.

SALES OF FOOD

There are special exemption provisions for sales and purchases of food by public schools. Food sold by public schools, school sponsored parent-teacher associations or school sponsored student organizations, to students enrolled in the school or to employees of the school during normal school hours is exempt per se from sales tax.

Only two types of organizations may make such exempt sales of food during normal school hours:

- (1) Any public school which is subject to regulation by the West Virginia State Board of Education; or
- (2) Any parent-teacher association or student organization which is sponsored by a public school which is subject to regulation by the West Virginia State Board of Education.

The following sales of food during other than normal school hours are also exempt:

Sales of food by a school sponsored student or parent-teacher association or similar organization at athletic, cultural, social or fund raising events when the proceeds of such sales, after payment of reasonable expenses, are donated to the school or used to purchase tangible personal property or services for the school. Examples of such exempt sales are bake sales held by the school's band boosters to raise money for new uniforms, and concession sales of hot dogs, popcorn and soft drinks by parents at athletic events to raise money for athletic equipment.

The following sales of food are always subject to sales tax:

Sales of food through vending machines, regardless of where the machine is located, who owns the machine or when the sale occurs; and

Sales of food to the general public during normal school hours unless such sales meet all of the conditions listed in Item (6) in the previous section on "Sales of Items Other Than Food."

WHEN SALES ARE TAXABLE

One other aspect of taxable sales should be kept in mind. When a taxable sale occurs, the sales tax generally must be stated separately from the sales price. In some situations, however, such as nonexempt ticket sales, admission fees and food sold at school related events such as ball games, the sale price may include the sales tax. In the case of tickets, either the sales price and sales tax must be separately stated on the ticket, or the ticket or a sign posted in plain view must state that sales tax is included in the ticket price. With respect to admission charges where tickets are not used and sales of food at school related events, a sign may also be posted in plain view stating that sales tax is included in the sales price. When the sign method is used, the sign must be legible and visible to a person with normal vision from a distance of 20 feet. When the sales price includes the sales tax, the amount of sales tax which must be imposed on each sale is as follows:

Divide the total amount received by 1.06 and multiply that amount by .06, then round the resulting amount up to the next highest cent. This last figure is the amount owed to the State on the sale.

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Special Sales And Use Tax Rules For Nonprofit Organizations

Major changes to the consumers sales and service tax and use tax laws affecting nonprofit organizations were enacted by the West Virginia Legislature in 1989. The purpose of this publication is to provide general information concerning these changes. It is not a substitute for tax laws or regulations.

NONPROFIT ORGANIZATIONS ARE NOT EXEMPT FROM THE SALES AND USE TAX BY REASON OF THEIR NONPROFIT STATUS ALONE but must meet the very specific requirements contained in the sales and use tax laws and legislative regulations. Nonprofit organizations which do not meet these requirements are required to pay tax on their purchases and collect and remit tax on their sales (unless their purchases or sales are exempt under some other provision of the law). All sales and purchases are presumed to be taxable. It is the responsibility of both the person making a purchase and the person making a sale to prove that the purchase or sale is for an exempt purpose.

PURCHASES BY CERTAIN NONPROFIT ORGANIZATIONS

Certain nonprofit organizations purchasing tangible personal property or taxable services to be used or consumed in the organization's nonprofit activities are exempt from payment of the consumers sales tax or use tax on those purchases. To qualify for this exemption the organization must meet ALL FOUR of the following conditions:

- (1) The organization must have a current annual registration certificate with the West Virginia State Tax Department; AND
- (2) The organization must be exempt from paying federal income tax under§ 501 (c)(3) or§ 501 (c)(4) of the Internal Revenue Code; AND
- (3) The organization must be ONE of the following (A or B or C or D):
 - A. A church or a convention or association of churches as defined in section 170 of the Internal Revenue Code of 1986, as amended; OR
 - B. An elementary or secondary school which maintains a regular faculty and curriculum and has a regularly enrolled body of pupils or students in attendance at the place in this state where its educational activities are regularly carried on; OR
 - C. An organization which receives more than one-half of its support from any combination of gifts, grants, direct or indirect "charitable contributions" or "membership fees"; OR
 - D. An organization which has no paid employees and its gross income from fund raisers, less reasonable and necessary expenses incurred to raise such gross income (or the tangible personal property or services purchases with such net income) is donated to an organization which is exempt from income taxes under§ 501 (c)(3) or§ 501 (c)(4) of the Internal Revenue Code; OR
 - E. A youth organization, such as the Girl Scouts of the United States of America, the Boy Scouts of America, or the YMCA Indian Guide/Princess Program, and the local affiliates thereof, which is organized and operated exclusively for charitable purposes and has as its primary purpose the nonsectarian character development and citizenship training of its members; AND
- (4) The items or services purchased by the organization will be used or consumed in the activities for which the organization qualifies for exemption from federal income taxes.

Some important points to remember about this limited exemption for certain purchases by nonprofit organizations follow:

- o This exemption does not apply to purchases of gasoline and special fuels.
- o This exemption does not apply to purchases of items or services used or consumed in generating unrelated business income by the nonprofit organization.
- o To qualify for this exemption, the organization must have a current business registration certificate. To obtain a registration application (BUS APP) contact the West Virginia State Tax Department.
- o If the nonprofit organization has received a determination from the Internal Revenue Service that the organization qualifies as a§ 501 (c)(3) or § 501 (c)(4) organization and the determination has not been revoked, withdrawn or nullified, the nonprofit organization need not apply to the Tax Commissioner for determination of whether the organization qualifies as a§ 50j (c)(3) or §501(c)(4)organization. If the nonprofit organization has not received a determination from the Internal Revenue Service, the organization must receive a prior written ruling from the Tax Commissioner regarding its qualification by filing a copy of its articles of incorporation, bylaws and a sworn statement by an officer of the organization setting forth reasons for qualification.

Examples of this exemption:

"The Cure" is an organization which raises funds for medical research. The organization has a current registration certificate from the Department of Tax and Revenue and has received a written ruling from the Tax Commissioner that it meets the requirements for qualification under section 501 (c)(3) of the Internal Revenue Code. All of its support comes from charitable contributions. This organization meets the requirements necessary to make tax exempt purchases and may purchase office supplies and equipment and fund raising materials tax free by presenting a properly completed exemption certificate to its vendors.

"Have Mercy Hospital" is a private nonprofit hospital which has a current registration certificate and has been qualified as a 501 (c)(3) organization by the Internal Revenue Service. "Have Mercy Hospital" is primarily funded by charges it makes to its patients for providing medical care. Thus, this hospital does not meet the requirements for making tax exempt purchases and must pay sales or use tax on all of the purchases it makes for use in providing medical care.

In addition to its normal activities a church conducts a community outreach program which provides information and counseling on drug abuse. The church also provides food and clothing to the needy. The church makes no charge for these services. The church may purchase exempt from tax office equipment and supplies, drug abuse literature, the services of a professional or nonprofessional drug abuse counselor, food and clothing which will be given free of charge and any other materials, supplies or equipment (except gasoline or special fuel) which will be directly used or consumed by the church in its normal church activities and in its community outreach program.

The church also operates a Day-Care Center for which it charges a fee of thirty dollars per week per child. The church will not collect sales tax from its customers on the fee because there is a specific exemption in the sales tax law for services provided by Day-Care Centers. The church must pay sales or use tax on all of its purchases for use in providing the daycare service. If the church uses the supplies, equipment, food or materials which were purchased tax free for use in its exempt activities in the nonexempt Day-Care Center, it must pay use tax on these items.

METHOD OF CLAIMING THE EXEMPTION

Persons claiming an exemption for sales or use tax must be registered with the West Virginia Department of Tax and Revenue. Registration is accomplished by completing an application for business license (WV/BUS APP). In an effort to promote efficiency and cost savings, the Department uses this form for all types of registration. Churches and nonprofit organizations are not considered to be "businesses" or engaged in business or subject to any other tax laws by the mere completion of this form .

Churches and nonprofit organizations that meet the requirements set forth above may claim the exemption from sales or use tax on their exempt purchases by providing the vendors from whom they make purchases with a properly completed Certificate of Exemption (Form F0003). When a vendor in good faith accepts a properly completed tax exemption certificate from his customer at the time of the sale, he is relieved of the responsibility of collecting the sales tax from the customer. The vendor must update his exemption certificate file each year and retain exemption certificates for at least three years. When a church or nonprofit organization uses a tax exemption certificate to make purchases, the burden of proof that the purchase was exempt is on the organization. Misuse of the tax exemption certificate is a serious offense and will subject the purchaser to penalties in addition to any tax, interest and additions to tax due on the purchase.

SALES BY CHURCHES AND NONPROFIT ORGANIZATIONS

Churches and nonprofit organizations that meet the requirements (set forth above) for making tax exempt purchases may also make casual and occasional sales for fund raising purposes and not be required to collect the sales tax from the persons to whom they sell. This exemption from the collection of sales tax is "per se" (in and of itself) and does not require any special documentation as proof of the exemption.

For the purpose of this exemption, "casual and occasional sales" means fund raising events not conducted in a repeated manner or in the ordinary course of repetitive and successive transactions. These fund raising events are limited to six events (which last no more than eighty-four consecutive hours each) in any twelve month period. Any fund raising event which lasts more than eighty-four hours will be considered as two or more events, depending upon the duration of the event. If an organization holds more than six events it must begin to collect the sales tax on sales made at the seventh event and any others held thereafter.

Organizations that know at the outset that their fund raisers will exceed the six time/eighty-four hours limit or organizations which regularly and routinely make repetitive sales in the ordinary course of their activities do not qualify for this exemption and must collect sales tax on all of their sales.

In addition to the exemption for casual and occasional fund raisers by churches and nonprofit organizations, certain other special exemptions may apply. For example, the following special exemptions apply to certain sales of food even though in some cases sales may not meet the "casual and occasional" test:

1. Sales of food by a nonprofit organization or a governmental agency under a program funded by a state of the United States to low-income elderly persons at or below cost are exempt. No exemption certificate is necessary.
2. Sales of food in an occasional sale by a charitable or nonprofit organization, including volunteer fire departments and rescue squads, are exempt if the purpose of the sale is to obtain revenue for the functions and activities of the organization and the revenue so obtained is actually expended for that purpose. No exemption certificate is necessary.
3. Sales of food by any religious organization at a social or other gathering conducted by it or under its auspices are exempt if the purpose in selling the food is to obtain revenue for the functions and activities of the organization and revenue obtained from selling the food is actually used in carrying on such functions and activities: Provided, That purchases made by such organizations shall not be exempt as a purchase for resale.
4. Sales of food by little leagues, midget football leagues, youth football or soccer leagues and similar types of organizations including scouting groups and church youth groups if the purpose in selling the food is to obtain revenue for the functions and activities of the organization and the revenues obtained from selling the food are actually used in supporting or carrying on functions and activities of the groups: Provided, that such purchases made by such organizations shall not be exempt as a purchase for resale.

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Sales and Use Tax Exemptions

The West Virginia sales and use tax laws contain many exemptions from the tax. This publication provides a brief, general description of sales and use tax exemptions. It does not discuss special rules regarding sales of gasoline and special fuels. It is not a substitute for tax laws or regulations.

When discussing sales/use tax exemptions it is important to consider the following general principles

:

- **All** sales of tangible personal property or taxable services are presumed to be subject to tax.
- Tax **must** be collected unless a specific exemption applies to the transaction and proper documentation of the exempt status of the transaction is established by the purchaser and retained by the seller.
- Most individuals, businesses and organizations must pay tax on their purchases.
- The burden of proving that a transaction is exempt is on the person claiming the exemption and the vendor making the sale.
- Vendors who fail to collect and remit sales tax on taxable transactions or who fail to maintain proper records and documents with respect to such transactions will be held personally liable for payment of the amount of tax owed the State.
- Intentional disregard of the sales/use tax law or regulations is a serious matter and will result in monetary fines or criminal penalties.

There are several distinct types of exemptions and prescribed methods by which the exemptions must be claimed. Failure to follow the proper method in claiming an exemption may result in a transaction being taxable even though an exemption would exist if the proper method and documentation had been used.

"Per se" Exemptions

The term "per se" means by, of or in itself. When used in the context of sales tax exemptions, it refers to exemptions that do not require a separate exemption document as proof of the exempt status. Generally the normal documentation of the transaction is sufficient proof of the "per se" exemption. Vendors who make sales which are "per se" exempt must maintain adequate records to substantiate the exemption.

The following sales and services are exempt "per se" from sales/use tax in West Virginia.

Advertising - Sales of radio or television broadcasting time, preprinted advertising circulars and outdoor advertising space, newspaper and magazine advertising space for the advertisement of goods or services are exempt from sales tax.

College Room and Board - Sales of room and board by public or private colleges or universities are exempt from sales tax when the sale thereof is for more than 30 consecutive days and is on a "contract basis" to students enrolled at the school.

Contracting - The construction, alteration, repair, improvement or decoration of real property is exempt from sales tax, but only when the work performed results in a "**capital improvement**" to the real property. All other construction trade activities are subject to the sales tax unless otherwise exempt. (See Publication TSD-310) **Purchases** made by contractors are generally taxable.

Day Care Centers - Sales of tangible personal property or services by day care centers are exempt from sales tax. Purchases of property or services by day care centers are generally taxable.

Drugs, durable medical goods, mobility enhancing equipment and prosthetic devices dispensed upon prescription - The purchase by a health care provider of drugs, durable medical goods, mobility enhancing equipment and prosthetic devices to be dispensed upon prescription and intended for use in the diagnosis, cure, mitigation, treatment, or prevention of injury or disease are exempt from sales tax. Purchases of non-prescription drugs and other over-the-counter healthcare items remain subject to sales tax just as such items are taxable when purchased by a consumer from a retailer. See Publication TSD-425 for additional information.

Educational Summer Camp Tuition - Tuition charges made for attending **educational** summer camps are exempt from sales tax. This exemption does not apply to sales of tangible personal property or food by the camps.

Employees --Services provided by an employee to his or her employer that are within the scope of the employment contract are exempt from sales tax. Services provided by an employee to his employer that are outside of the employment contract and services provided by an "independent contractor" are taxable. A discussion of the employee/employer relationship can be found in Section 60 of the Department's Sales Tax Regulations.

Federal and State Law exempts certain organizations or activities from state sales taxes. These provisions are not found in our sales tax law or legislative rule, but are in the particular provisions of the law which deal with the specific organization or activity. A nonexclusive list of organizations that are exempt from sales tax by other sections of federal or state law are: federal or state chartered credit unions, regional transit authorities, county ambulance authorities, and non-profit public health care corporations. These provisions of federal and state law may exempt the organization or activity from sales tax on the sale of goods and services or on purchases of goods and services or both. However, this exemption applies only to the activities or transactions specifically excluded from taxation by the applicable statute. For example, state law imposes a part-mutual wagering tax on racing tracks in lieu of other taxes on its operations; nevertheless sales of food, beverages, programs, souvenirs and other items by racing tracks are subject to the sales tax.

Food Stamps- Sales of food lawfully purchased with federal food stamps or with drafts issued by the West Virginia special supplemental food program for Women, Infants And Children (WIC) are exempt from sales tax.

Fraternities and Sororities - Room and board charges made by fraternities and sororities to their student members are exempt from tax.

Fund Raising Sales by Churches and Certain Non-Profit Organizations - This exemption only applies to organizations which meet special requirements. For a complete discussion of this exemption see Publication TSD-320.

Intangible Property- The sales tax is not imposed on sales of intangibles (copyrights, royalties, notes, bonds, etc.).

Isolated Transactions - Sales of tangible personal property or taxable services **by persons** who are not in the business of making such sales, such as an individual selling his personal belongings or a law office selling its used furniture, are exempt from sales tax. Sales of tangible personal property may be made at yard sales without collecting sales tax provided such sales are held no more than 4 times per year and last no longer than 48 hours each. Persons who regularly and routinely sell goods at yard sales, flea markets or along the roadside are engaged in the business of selling. They must register with the State Tax Department and collect sales tax on such sales. Persons who are not engaged in the business of providing taxable services may also qualify for this exemption. For example, teenagers who occasionally mow lawns, baby sit or do odd jobs for their neighbors may be able to claim this exemption.

Lottery Tickets - Sales of West Virginia lottery tickets and materials by authorized lottery retailers, including sales of Lotto America tickets and materials, are exempt from sales tax.

Motor Vehicles- Contact the Division of Motor Vehicles by calling 304-558-3900 or visiting their website <http://www.dmv.wv.gov>.

Newspapers - Sales of newspapers are generally taxable. However, when they are delivered by route carriers they are exempt. Over the counter and vending machine sales **are** taxable.

Personal Services - Sales of services to the "person" of an individual, such as barbering, hairstyling, manicuring and massaging are exempt from tax. Generally this exemption does not apply to weight loss or physical fitness programs. Purchases of tangible personal property or taxable services made by personal service providers are generally taxable.

Prescriptions - Sales of drugs dispensed upon prescriptions issued by persons licensed to prescribe, and sales of insulin to consumers for medical purposes are exempt from tax. Sales of nonprescription medications are subject to the tax. Note, however, those **purchases** of prescription drugs and insulin by medical professionals for use in their medical services are taxable.

Professional Services And Certified Public Accountants - Sales of services recognized as "professional" under West Virginia law such as those provided by doctors, lawyers, engineers, architects and CPA's are not taxable. **Purchases** by professionals are taxable.

Public Services - Sales of services which are subject to the control of the West Virginia Public Service Commission, including sales of gas, steam and water delivered through pipes and mains and sales of electricity, most telephone services and services of regulated public or common carriers, bus and taxi services are exempt from tax. Mobile telephone and paging services that may not be regulated are subject to the tax. Sales of goods by regulated companies are generally **not** exempt.

Real Property - Sales tax is not imposed on the sale, lease or rental of real estate (land, houses, buildings and other structures attached to the land). Leases or rentals of real property to the same person or occupant for thirty or more consecutive days are exempt while rentals for less than thirty days are subject to the tax, such as daily parking rental.

School Activities- Sales of tickets for activities sponsored by elementary and secondary schools located within this State are exempt from sales tax. This exemption does not include activities sponsored by other organizations which merely occur on school property and are not sponsored by the school.

Textbooks - Sales of textbooks required to be used in any of the schools of the State, whether the books are sold directly to schools or students are exempt from tax. This exemption includes written course materials as well as audio and video materials so long as they are a required text of the school.

Transportation - Charges for transporting passengers in interstate commerce, such as airplane tickets or bus tickets, are exempt from tax when the trip begins or ends outside the State.

Exemptions

The following is a list of tax exemptions that may be claimed by presenting a properly executed Certificate of Exemption (Form F0003) to the seller of the tangible personal property or taxable services. If a vendor fails to obtain a properly completed exemption certificate from the purchaser or if the purchaser refuses to provide a certificate, the vendor must collect the tax and the purchaser must pay the tax. You cannot typically claim these exemptions by using a direct pay permit unless you are otherwise eligible to hold a direct pay permit.

Purchase for Resale - Purchases of tangible personal property or taxable services intended for resale, or for use in performing taxable services when such property becomes a component part of the property upon which the services are performed and will be actually transferred to the purchaser, are exempt from sales tax.

Purchased By An Exempt Commercial Agricultural Producer - Purchases of tangible personal property or taxable services for use or consumption in the commercial production of an agricultural product and purchases of propane for use in heating poultry houses are exempt from sales tax, but not purchases for construction of or permanent improvement of real property.

Tax Exempt Organizations

Government - Purchases by the United States government or the State of West Virginia, including their institutions or subdivisions and county and municipal governments of West Virginia are exempt from sales tax. Purchases by employees of such government agencies while on government business are not exempt from sales tax unless such purchases are directly billed to and paid for by the government agency. Purchases by another state, or by an out of state county or municipal government are not exempt unless the other state or government organization provides the same exemption to the State of West Virginia and its institutions and subdivisions. Private persons doing business with the government may not claim this exemption.

Certain Nonprofit Organizations- Purchases by a corporation or organization which has a current registration certificate and which is exempt from federal income taxes under section § 501 (c)(3) or (c)(4) of the Internal Revenue Code are exempt if the organization meets all of the requirements set forth in W. Va. Code§ 11-15-9(f). For information concerning these requirements refer to Publication TSD-320.

Schools - Purchases by a school that has its principal campus in this State, is approved by the State of West Virginia to award degrees, and is exempt from federal and state income taxes under section § 501 (c)(3) of the Internal Revenue Code are exempt from sales tax.

Churches - Purchases of services, equipment, supplies, food for meals and materials directly used or consumed by churches which make no charge whatsoever for the services they render are exempt from sales tax. These purchases must be paid for directly out of the church treasury.

Sales of Certain Specific Services

Purchases of electronic data processing services and software related to such purchases are exempt from sales tax, but not purchases of data processing equipment, materials and supplies.

Purchases of services by one corporation, partnership or limited liability company from another corporation, partnership or limited liability company **but only** when both corporations are members of the same controlled group are exempt from sales tax.

Purchases of motion picture films, coin-operated video arcade machines and other video arcade games for any use upon which there will be a charge subject to sales tax.

Purchases by a licensed carrier of persons or property, or by a government entity, or aircraft repair, remodeling and maintenance services for an aircraft, engine or other component part of an aircraft, or purchases of tangible personal property that is permanently affixed as a component part of an aircraft as part of the repair, remodeling or maintenance of aircraft, aircraft engines or aircraft component parts, and purchases by a licensed carrier of persons or property, or by a government entity, of machinery, tools or equipment, directly used or consumed exclusively in the repair, remodeling or maintenance of aircraft, aircraft engines or aircraft component parts.

Refundable Exemptions/Direct Pay Permit

The following exemptions **must** be claimed in one of the following ways. These exemptions may not be claimed by use of the tax exemption certificate.

Direct Pay Permit - Business entities that qualify for these exemptions may apply to the State Tax Department for issuance of a Direct Pay Permit. Only those organizations which qualify for one or more of these exemptions will be issued a Direct Pay Permit. Also, business entities which are delinquent in paying taxes to the Department will not be issued Direct Pay Permits. Direct Pay Permits may only be used to purchase exempt items and may not be used to purchase gasoline and special fuel.

Pay/Refund - Business entities that qualify for these exemptions but who have not been issued Direct Pay Permits must pay the sales tax to the vendor at the time of purchase and then apply to the Department for a refund or credit of the tax paid on their exempt purchases.

Refundable/Direct Pay Permit Exemptions

Manufacturing Exemptions - Purchases of equipment, supplies, materials and services intended for direct use or consumption in the activity of manufacturing are exempt from sales tax. Purchases which are not intended for direct use or consumption but whose use or consumption is only incidental or convenient to the manufacturing activity are not exempt. For example, the purchase of an oven to process coal into coke and the purchase of coal to be processed into coke are exempt, whereas a furnace purchased to heat the office building of a coke manufacturer and the coal used to fire that furnace are subject to sales tax. For a complete discussion of the definition of "direct use" see Publication TSD-358.

Natural Resource Production - Purchases for **direct use or consumption** in the activity of producing natural resources are exempt from sales tax. This exemption applies only to persons engaged in natural resource production who are not subject to the severance tax, such as contract miners or drillers.

Transportation and Transmission Businesses - Purchases made for direct use or consumption in the activity of transportation are exempt from sales tax. Transportation and **transmission businesses engage in the activity of hauling or delivering goods for others**. Persons who haul or deliver their own goods may not claim this exemption. Purchases which are not for direct use or consumption or whose use or consumption will only be incidental or convenient to such transportation or transmission activity are taxable.

Communication Businesses - Purchases made for **direct use or consumption** in the activity of communication (telephone, telegraph, commercial broadcast radio and television, cable television, etc.) are exempt. Purchases which are not for direct use or consumption or whose use or consumption which will only be incidental or convenient to the communications activity are taxable.

Businesses Subject to the Business and Occupation Tax, Severance Tax or Telecommunications Tax - Businesses subject to these taxes may purchase exempt from the sales tax all equipment, supplies and materials that will be used in the business activities subject to those taxes. Purchases made for use in activities not subject to those taxes do not qualify for this exemption.

Other Organizations - Charitable organizations, volunteer fire departments and nationally chartered fraternal or social organizations may qualify for a refundable/direct pay permit exemption. If these organizations do not qualify for the specific exemption for non-profit (IRC §501 (c)(3) or § 501 (c)(4)) organizations, they may claim a limited refundable exemption. However, if these organizations qualify for the non-profit exemption, they must claim their exemption by use of the tax exemption certificate and will not be eligible to receive a direct pay permit.

- Purchases by **bona fide charitable** organizations which make no charge whatsoever for the services they render are exempt.
- Purchases by **volunteer fire departments** of station house equipment, construction and automotive equipment are exempt.
- Purchases by nationally chartered **fraternal or social** organizations for the sole purpose of **free distribution in public welfare or relief work** are exempt.

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APPENDIX C

APPENDIX C

AUTHORIZED AND UNAUTHORIZED EXPENDITURES

The following is a partial list of expenditures that are considered to be authorized or unauthorized by either the State Attorney General or the State Superintendent of Schools. The list includes only opinions of the Attorney General or interpretations of the State Superintendent of Schools issued since 1987.

Be aware in reviewing the list that applicable statutes and State Board policies may have changed since the views contained herein were expressed. Also, it is possible that the unique facts of a particular situation may distinguish it significantly from the circumstances that existed at the time these opinions and interpretations were rendered.

In addition, the opinions and interpretations included herein should be considered only as guidelines, since neither the State Attorney General nor the State Superintendent of Schools serve as statutory or appointed attorney for the county boards of education. The advice of the board's attorney of record should be obtained on any questions concerning the legality of a particular expenditure.

Expenditures considered to be **unauthorized** by either the State Attorney General or the State Superintendent of Schools:

- The payment of dues to become a member of a local Chamber of Commerce (Attorney General Opinion of May 7, 1987)
- The expenditure of public or quasi-public funds for the purchase of food and drink for board of education meetings (Attorney General Opinion of May 7, 1987)
- The expenditure of public or quasi-funds for the purchase of food and drink for meetings of school principals (Attorney General Opinion of May 7, 1987)
- The expenditure of public or quasi-funds for the purchase of food and drink for meetings of the public (Attorney General Opinion of May 7, 1987)
- The use of school moneys to buy coffee and doughnuts for the staff as a morale booster (State Superintendent Interpretation of November 16, 1992)
- The use of funds from an individual school's general accounts for the purchase of flowers, gifts, service awards, and other awards to recognize employees for outstanding services (State Superintendent Interpretation of October 6, 1992)
- The use of gate receipts to repay a loan which was obtained by a coach and private supporters, without board knowledge or approval, to build a school athletic facility (State Superintendent Interpretation of August 31, 1992)
- The use of gate receipts, vending machine profits, and other school funds to buy a table and chair for a teachers' lounge (State Superintendent Interpretation of June 9, 1992)

- The expenditure of quasi-public funds for meals which are solely for school officials, administrators, faculty and other personnel (State Superintendent Interpretation of July 17, 1992)
- The use by principals of school general account funds (raised from snack machines, school sales, dances, etc.) to attend and pay expenses for state and national conferences (State Superintendent Interpretation of December 5, 1989)
- The use of school general account funds (raised from snack machines, school sales, dances, etc.) to buy coffee, doughnuts, etc. for staff development meetings, staff meetings, etc. (State Superintendent Interpretation of December 5, 1989)
- The payment from a school's general fund the membership fee of an elementary principal in the West Virginia Elementary School Principals Association and the National Elementary School Principals Association (State Superintendent Interpretation of December 5, 1989)

Expenditures considered to be **authorized** by either the State Attorney General or the State Superintendent of Schools:

- The use of gate receipts, vending machine profits, and other school funds to buy flowers and shrubs for the school lawn (State Superintendent Interpretation of June 9, 1992)
- The use of quasi-public funds raised or accepted by a faculty senate to buy a table and chairs for a teachers' lounge (State Superintendent Interpretation of June 9, 1992)
- The purchase of a table and chairs for a teachers' lounge with money granted to the school by the PTA or PTO for that purpose (State Superintendent Interpretation of June 9, 1992)
- The use of a school's athletic fund to reimburse a head coach for the expense of attending a sports rule clinic mandated by the West Virginia Secondary Schools Activities Commission (State Superintendent Interpretation of October 3, 1988)
- The use of quasi-public funds to pay for student sports banquets, academic banquets, pizza parties (to reward high test scores), etc., subject to certain general limitations regarding the amount of money spent on different student groups (State Superintendent Interpretation of June 9, 1987)
- The use of quasi-public school funds to purchase awards, trophies, etc., for students for academics and athletics, subject to certain limitations regarding gender equality, equality between athletic and academic programs, and students with disabilities. (State Superintendent Interpretation of June 9, 1987)

APPENDIX D

APPENDIX D

**CONTROL FACTORS
USED TO DETERMINE WHETHER A WORKER IS AN
EMPLOYEE OR INDEPENDENT CONTRACTOR**

Behavioral Control:

- **Instructions** – If an individual receives instructions about when, where, and how to work, what tools or equipment to use, what assistants to hire to help with the work, or where to purchase supplies and services it suggests that the individual is an employee. Even if no instructions are given, the control factor is present if the employee has the right to control how the work results are achieved.
- **Training** - Employees may be trained to work in a particular manner. Independent contractors ordinarily use their own methods and receive no training from the purchasers of their services.

Financial Control:

- **Significant Investment** – If the individual has a significant investment in the work it suggests that the individual is an independent contractor. While there is no precise dollar test, the investment must have substance.
- **Expenses** – If the individual is not reimbursed for some or all business expenses then it suggests that the individual is an independent contractor.
- **Opportunity for Profit or Loss** – If the individual can realize a profit or incur a loss, it suggests that the individual is an independent contractor.

Relationship of the Parties:

- **Employee Benefits** – If the individual receives benefits such as insurance, pension or paid leave it suggests that the individual is an employee. If the individual does not receive benefits, however, the individual could be either an employee or an independent contractor.
- **Written Contracts** – A written contract may show what both the individual and the business intend. This may be significant if it is difficult to determine the status based on other facts.

FACTORS THAT SUGGEST EMPLOYEE STATUS

- **Instructions by firm**
- **Firm trains worker**
- **Services performed** are vital to the business
- **Services must be** rendered personally by the worker
- **Continuing relationship** between workers and firm
- **Full time required**
- **Order or sequence** of task set by firm
- **Regular or written** reports by worker or firm
- **Firm pays business** or travel expenses
- **Firm provides tools**, materials, or significant equipment
- **Firm has right to** discharge worker
- **Worker has right** to end relationship with firm at any time without liability
- **Work done** on firm' s premises
- **Set hours** of work

FACTORS THAT SUGGEST INDEPENDENT CONTRACTOR STATUS

- **Worker paid** on a job-by-job or commission basis
- **Worker invests** in facilities used by the worker to perform services
- **Worker can** realize a profit or loss based on performance of services
- **Worker provides** services to more than one firm at a time
- **Worker makes** services available to the general public
- **Worker hires**, supervises, and fires own assistants

Independent Contractor Checklist

Name of Service Provider: _____

The purpose of this checklist is to assist in the determination of employee or independent contractor status. Federal and State law places the burden of proof on the employer to show that an independent contractor relationship exists.

	Yes	No
Is the service provider an employee of the County Board of Education or has the service provider been employed by the County Board of Education within the past twelve (12) months?		
Does the service provider perform the same type of work that is generally performed by regular employees?		
Does the County Board of Education determine the means and methods by which the results are accomplished?		
Does the County Board of Education provide supplies, equipment, software and/or tools necessary to perform the services?		
Will the County Board of Education provide training, supervision, or instruction other than conveying the scope of the service or results desired?		
Does the County Board of Education establish the individual's work schedule?		
Is the individual required to perform services on County Board of Education property on a regular and continuing basis?		
Can the service provider be terminated by the County Board of Education or quit work at any time without incurring liability?		

If one or more responses to the above questions are "Yes" the worker may be considered an employee under IRS guidelines. If employee status is determined, contact Human Resources to establish the individual as an employee and arrange for payment of his or her services through the County Board of Education payroll.



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
CHARLESTON 25305

CHARLIE BROWN
ATTORNEY GENERAL

March 3, 1986

Dr. Tom McNeel
State Superintendent of Schools
State Capitol Complex
Building 6, Room 358
Charleston, West Virginia 25305

Re: Game Officials' Status

Dear Dr. McNeel:

This letter is written in response to your inquiry regarding whether a game official (e.g., basketball referee, baseball umpire, etc.) is an employee of a county board of education or an independent contractor. In your letter, you have indicated that these athletic officials are hired for the limited purpose of specific games, that they furnish their own equipment and supplies, that they pay their own expenses, that they do not have to accept an assignment, and that the schools do not retain any supervisory power over the officiating. Whether such person is employed by the board of education in another capacity is irrelevant to the determination of whether, for purposes of officiating, they are an independent contractor.

"An independent contractor is a person employed to do a piece of work without restriction as to the means * * * and [who] undertakes to do the work according to his own ideas * * * and to whom the owner looks only for results." 9B M.J., Independent Contractors § 2.

Although there are a number of many-factored tests that answer this question, in West Virginia the determinative question is that of supervision or control:

"The test of the relation between one having work done and the workman consists in the employer's right or lack of right to supervise the work. If that right exists, the relation is that of master and servant. If that right does not exist, the relation is that of employer and independent contractor." Bethlehem Mines Corp. v. Haden, 153 W. Va. 721, 739, 172 S.E.2d 126 (1969); McCoy v. Cohen, 149 W. Va. 197, 210, 140 S.E.2d 427,

(1965); Spencer v. Travelers Insurance Company, 148 W. Va. 111, 133 S.E.2d 735 (1963); Davis v. Fire Creek Fuel Company, 144 W. Va. 537, 109 S.E.2d 735 (1959); Moore v. Burriss, 132 W. Va. 757, 54 S.E.2d 23 (1949); Meyn v. Dulaney-Miller Auto Co., 118 W. Va. 545, 191 S.E. 558 (1959); Greaser v. Appaline Oil Company, 109 W. Va. 396, 155 S.E. 170 (1930).

Without doubt, the school hiring the game referee has no right to control the official's actions. They cannot overrule foul calls, order baskets be made good, or call fouls themselves. A trip to nearly any high school sporting event would demonstrate that the school officials' attempts to supervise (manifested by a coach's walking back and forth and yelling at the referee) always fall on deaf ears. The lack of supervision and/or control compels the conclusion that game officials are in fact, independent contractors.

In your letter, you have asked us to reconsider the informal opinion of Deputy Attorney General William Carroll. The informal opinion dealt with the propriety of withholding teachers' retirement contributions, social security deductions, state income tax deductions, federal income tax deductions, and worker's compensation from remuneration payable under extracurricular assignment contracts. In those instances, a teacher is given a salary enhancement to function as a coach, choir director, cheerleader sponsor, band director, etc. In those situations, control remains with the school authorities and the above-mentioned deductions are applicable. Inasmuch as this is a formal opinion of this office, it controls, and the inconsistency of the prior informal opinion as to "game officials" is hereby overruled.

Game officials are independent contractors and are not subject to employee pay deductions as mentioned above.

Very truly yours,

CHARLES G. BROWN
ATTORNEY GENERAL

By

J. Bradley Russell Assistant
J. BRADLEY RUSSELL

JBR/cja

APPENDIX E

APPENDIX E

Criteria	Yes	No	N/A
General:			
1. Is a copy of the <u>Accounting Procedures Manual for the Public Schools in the State of West Virginia</u> maintained on file?			
2. Is a copy of the county board's policy(s) related to school finances maintained on file?			
3. Does the principal understand that he/she is responsible for the financial management of the school?			
4. Does the principal understand the importance of a well designed internal accounting control structure?			
5. Does the school have authorization from the county board to maintain the following funds:			
General Fund?			
Child Nutrition Fund?			
Faculty Senate Fund?			
Athletic Fund?			
Financial Statements:			
1. Are monthly and annual financial statements prepared and filed for each fund?			
2. Are copies of the monthly and annual financial statements submitted to the chief school business official in a timely manner and made available for review at the school?			
Bank Accounts:			
1. Has a separate bank account been established for each fund?			
2. Are all bank accounts located within the county?			
3. Are all bank accounts maintained by the school (checking and savings) authorized by the county board?			
4. Do all bank accounts contain the name and Federal Employer Identification Number (FEIN) of the county board?			
5. Do all bank accounts contain the name of the school and the fund?			
6. Do the principal and chief school business official have signature authority for every bank account maintained by the school?			
7. Are all bank statements presented <i>unopened</i> to the school principal immediately upon their receipt at the school?			
8. Does the principal open and review the bank statements and canceled checks for irregularities or unusual items?			
9. Are reconciliations conducted of all bank accounts as soon as possible after the bank statements are received?			
10. Are any differences noted between the school's checkbook balances and the bank statement balances resolved immediately?			
11. Upon the completion of the bank reconciliations, are the reconciliation reports signed and dated by both the individual that performed the reconciliation(s) and the school principal?			
12. Are all bank statements and canceled checks or images (including voided checks) retained and			

filed?			
13. Are all bank accounts in which school funds are deposited insured or has the bank either provided a bond or pledged securities to cover the maximum amount that is on deposit?			
14. Do all checks have pre-printed on them: the name of the school, the name of the fund, the school address, the check number, and the account number?			
15. Do the check forms for all funds provide spaces for two signatures?			
16. Are all funds in excess of the funds necessary to meet the schools current obligations invested?			
Accounting Records:			
1. Does the school maintain the following accounting records for each fund?			
Pre-numbered receipt forms			
Transaction journal(s)			
Purchase orders			
A bank checkbook or electronic equivalent			
Bank deposit slips			
Monthly financial statements			
Annual financial statements			
2. Are all accounting records adequately safeguarded against theft, casualty loss or unauthorized use?			
3. Are the following transactions posted in all transaction journals?			
All receipts, including those that have been voided			
All disbursements, included all checks that have been voided			
All interest earned			
All bank charges			
All transfers between accounts within a fund			
All transfers between funds			
All transfers between depository and investment accounts			
4. Are all transactions posted to the appropriate transaction journal at least weekly?			
Tax Exempt Status/Consumer Sales Tax:			
1. Has the school registered as a tax exempt organization with the West Virginia Department of Tax and Revenue?			
2. Does the school have a <i>current</i> business registration certificate?			
3. Is consumers sales tax collected on all taxable sales?			
4. Are all sales tax collections remitted to the West Virginia Department of Tax and Revenue in a timely manner?			
Annual Audit:			
1. Has a plan of corrective action for all reportable conditions noted in the school's audit/review report been submitted to the county board?			
2. Are all reportable conditions corrected as soon as practical and in all cases within six (6) months of receipt of the report?			

Records Retention:			
1. Are all school records maintained at the school and safeguarded at all times, unless otherwise directed by the county superintendent or his/her designee?			
2. Are the following records maintained at the school and safeguarded at all times, unless otherwise directed by the county superintendent or his/her designee?			
Transaction journals			
Bank Statements			
Canceled checks and deposit slips			
3. Are all other financial records retained for at least three (3) years?			
Collections:			
1. Are all moneys collected from school activities remitted daily to the school principal or to the individual designated by the principal to be responsible for the funds?			
2. Are all monies collected reconciled to the detailed records supporting the collections?			
3. Are all checks received by the school stamped on the back with a restrictive endorsement at the time of receipt?			
4. Are receipts written for all monies collected?			
5. Are all receipts pre-numbered and used in sequential order?			
6. Are receipts prepared in duplicate with the original provided to the individual from whom the monies were received?			
7. Are the following items included on all receipts written?			
The date remitted?			
The amount received?			
The name of the individual from whom the monies are received?			
The purpose of the collection?			
The fund and account for which the monies were received?			
8. If detailed listings are used for collections from groups of students, are the lists provided to the principal or his/her designee at the time the monies are remitted?			
9. Are all voided receipts clearly marked VOID and retained and filed?			
10. Are all receipts written posted daily to the transaction journal in numeric order?			
11. Are the making of cash disbursements and the cashing of personal checks considered unauthorized uses of cash collections?			
Concession Stands/Vending Machines:			
1. If a concession stand is operated by the school:			
Have local procedures been established to ensure that items purchased for resale are adequately safeguarded from theft, casualty loss or unauthorized use and that proceeds are receipted and deposited properly?			
Is a profit and loss statement prepared periodically?			
Is an inventory reconciliation/sales form prepared periodically?			
2. If vending machines are maintained at the school:			
Does a vendor restock the machine(s) and remove the sales proceeds; or;			

Have local procedures been established to safeguard the inventory of items purchased for resale and to ensure that all sales proceeds are receipted and deposited properly?			
Is a profit and loss statement prepared periodically?			
3. If soft drinks are sold at a high school, have procedures been established to ensure that 75% of the profits are allocated by a majority vote of the faculty senate?			
Fund Raisers:			
1. If fundraising activities are conducted by a school:			
Does the principal approve all fundraising activities prior to the conducting of the activities?			
Have local procedures been established to ensure that fundraising activities are conducted in a proper manner and that all proceeds are receipted and deposited into one of the schools depository accounts?			
Are payments made to vendors for merchandise purchased for resale made only with a check issued for that purpose?			
Is an activity report prepared for each fundraising activity conducted?			
Is a profit and loss statement prepared for each fundraising activity?			
Gate Receipts:			
1. Are pre-numbered tickets used at school events in which an admission fee is charged or a donation accepted for admittance?			
2. Are reports prepared for each event that reconciles the total number of tickets sold to the total cash collections?			
3. Have local procedures been established to verify the consecutive use of tickets?			
Deposits:			
1. In accordance with county board policy, deposits are made:			
Daily;or;?			
When collections exceed \$500;and;?			
Before all extended school holidays;and;?			
At least weekly?			
2. Have procedures been established to safeguard undeposited cash receipts from theft, casualty loss or unauthorized use?			
3. Do deposit slips contain:			
The name of the school?			
The bank account number?			
The date the deposit slip was completed?			
The series of receipt numbers comprising the deposit?			
The total amount of cash included in the deposit?			
A listing of the individual checks included in the deposit?			
The total amount of the deposit?			
4. Are deposit slips prepared in duplicate and the original remitted to the bank and the copy retained in the school's files?			

5. Are all checks being deposited listed separately on either the deposit slip or on a separate schedule attached to the deposit?			
6. Are the beginning and ending receipt numbers listed on all deposit slips?			
Non-sufficient Fund Checks:			
1. When deposited checks are returned for insufficient funds (NSF), are adjusting entries made in the transaction journal to reduce the amount of funds recorded as having been received?			
2. Have procedures been established to provide guidance on the steps to be taken in recovering funds from NSF checks?			
3. Are all checks deemed uncollectible reported annually to the chief school business official and a file maintained for each individual at the school?			
Purchase Orders:			
1. Are all purchases made in accordance with the purchasing procedures prescribed by the county board?			
2. Are the purchases from the fund controlled in such a manner that unpaid bills and outstanding obligations never exceed the available resources of the fund?			
3. Are pre-numbered purchase orders that require the signature of the school principal or his/her designee used by the school for all purchases?			
4. Are fully executed purchase orders obtained prior to the ordering of goods or services?			
5. Are purchase orders prepared in duplicate with the original forwarded to the vendor and the second copy maintained in the school's files?			
6. Are purchase orders retained and filed in a systematic manner?			
Disbursements:			
1. Are all disbursements made for the educational benefit of the students?			
2. School funds are never expended for flowers, gifts, banquets or service awards for school employees <u>unless funds are raised or donated specifically for that purpose.</u>			
3. Are donations received from private sources accounted for in a separate account within the school's general fund?			
4. Are all disbursements made by a check?			
5. Are checks made payable only to the individual or vendor to whom the payment is being made?			
6. Have procedures been established that ensure that all goods have been received and services rendered prior to the school making payment for those goods and services?			
7. Checks are never made payable to cash.			
8. Are all checks and check stubs fully completed at the time that the check is being issued?			
9. Checks are never signed in advance.			
10. When an error is made in preparing a check:			
Is the word "VOID" written on the face of the voided check and a new check written for the disbursement?			
Is the voided check and check stub retained and filed?			
11. Are two signatures required on all checks issued; with one being that of the principal?			
12. Do all checks contain:			
The name of the school?			

The name of the fund?			
The school's address?			
The check number?			
The account number?			
Two authorizing signature lines?			
13. Is itemized documentation maintained that supports all disbursements of school funds?			
14. Are disbursements made only from invoices and not monthly statements?			
15. Have procedures been established that requires school personnel to verify the clerical and mathematical accuracy of all vendor invoices?			
16. Are all invoices approved by the principal or his/her designee prior to payment being made?			
17. After payment has been made, are all invoices stamped with the following information and filed in a systematic manner?			
Check Number?			
Date Paid?			
Amount Paid?			
Approved By?			
18. Are all payments made by a school to individuals (other than those that can be <i>clearly identified</i> as an independent contractor) for services rendered paid through the county board office?			
19. Are all payments made to independent contractors reported to the county board office so that a 1099-MISC determination can be made?			
20. Are all checks issued posted in the transaction journal:			
Individually?			
In numeric order?			
Daily?			
21. Are all disbursements classified to the appropriate account(s) within the fund?			
Stop Payments:			
1. When a stop payment is made on a check that has been issued, are correcting journal entries posted in the transaction journal?			
2. When a stop payment is made on a check issued during a previous year, is:			
a receipt in the amount of the check prepared and posted to the transaction journal?			
the canceled check removed from the outstanding check list?			
Travel:			
1. Is a copy of the county boards travel regulations maintained at the school?			
2. Are travel expense reimbursements made to employees only upon their submission of an itemized statement signed by both the employee and the principal?			
3. Are all payments for travel expenses of students supported by an itemized statement that includes:			
The date and purpose of the trip?			
The names of all students and chaperones on the trip?			
The amounts paid?			
4. When travel funds are paid directly to students, is a verification form obtained from the student certifying their receipt of the funds?			
5. Are receipts obtained to support all travel disbursements made directly to vendors?			

6. Are all travel statements signed and dated by the staff member in charge of the trip?			
7. Are all travel statements and supporting documentation remitted to the school principal or his/her designee in a timely manner?			
8. For trips in which cash advances are obtained, is the cash remaining at the conclusion of the trip remitted in a timely manner to the school principal and deposited immediately into one of the schools depository accounts?			
Petty Cash Fund/Starting Cash Drawer:			
1. If a petty cash fund not to exceed \$50 has been authorized by the county board:			
Is the fund adequately safeguarded from theft, casualty loss or unauthorized use?			
Do the cash and receipts in the fund always equal to the total amount of the fund established?			
Is the fund replenished only with a school check that is supported by itemized receipts and invoices and that is made payable to the principal?			
Does someone independent of the custodian periodically count the fund and reconcile the contents to the established amount?			
2. If a starting cash drawer not to exceed \$500 has been authorized by the county board:			
Is the drawer adequately safeguarded from theft, casualty loss or unauthorized use?			
Is the amount in the drawer equal to the amount established at all times?			
Is the starting cash drawer deposited into a school account at times when it is not needed and at the end of each school year?			
Does someone independent of the custodian periodically count the drawer and reconcile the contents to the established amount?			
Child Nutrition:			
1. In accordance with county policy, the Child Nutrition Program is maintained:			
As a separate sub-account within the school's general current expense fund?			
As a separate fund and bank account?			
Faculty Senate:			
1. In accordance with county policy, Faculty Senate funds are maintained:			
As a separate sub-account within the school's general current expense fund?			
As a separate fund and bank account?			
2. Does the Faculty Senate prepare and approve a budget annually that details how all faculty senate funds are to be expended?			
3. Are budget revisions made only with the approval of the faculty senate?			
4. Is the approval of the faculty senate budget and all revisions made a part of the minutes of the faculty senate meeting(s)?			
5. Are expenditures made only in accordance with an approved faculty senate budget?			
6. Does the Faculty Senate utilize the legislative appropriation as follows:			
Make an allotment of \$100 to each teacher, counselor and librarian for expenditure during the instructional year for academic materials, supplies or equipment which, in the judgement of the individual, will assist him/her in providing instruction?			
Expend the remaining funds only for academic materials, supplies or equipment?			

7. Are teachers, counselors and librarians required to submit receipts for all purchases made with the \$100 allotment?			
8. If the \$100 allotment made to each teacher, counselor and librarian is not fully exhausted during the instructional year, are the funds returned to the faculty senate?			
9. If faculty senate funds are maintained in the school general fund, are faculty senate records reconciled to the general fund records periodically?			
Athletics:			
1. In accordance with county policy, athletic funds are maintained:			
As a separate sub-account within the school's general current expense fund?			
As a separate fund and bank account?			
WVSSAC Tournaments:			
1. If the school enters into an agreement with the West Virginia Secondary Schools Athletic Commission to conduct tournaments on their behalf:			
Has the school established a separate sub-account in the transaction journal to account for all collections and expenditures made as a result of the tournament?			
Are all proceeds received from the tournament deposited intact into one of the schools depository accounts?			
Are all expenses associated with the tournament paid by check from the appropriate account?			
Are all individuals who render services during the tournament paid through the normal payroll process at the central board office <i>unless it can be clearly shown</i> that the individual is an independent contractor in accordance with the criteria established by the Internal Revenue Service?			
Athletic Equipment:			
1. Is an inventory maintained of all uniforms, equipment and other team merchandise?			
2. Does the school require that all items provided to athletes and coaches be returned at the end of the season?			
PTA's, Booster Groups and Other School Support Organizations:			
1. Have procedures been established to ensure that all school support organizations are approved by the county board to conduct fundraising activities in the name of the school?			
2. Are all school support organizations required to obtain approval from the principal prior to their conducting of a fundraising activity?			
3. Does the principal receive 2 copies of the annual financial statements prepared by each school support organization?			