



# PTO & STUDENT ACTIVITY FUNDING

## Avondale School District

Avondale is incredibly proud of the active and engaged Parent Teacher Organizations (PTOs) and booster organizations within our schools. We are deeply grateful for the time, energy, and resources they dedicate to supporting our students and staff. The following guidelines and considerations are designed to answer questions and ensure that these groups can operate independently, allocate funds appropriately, and adhere to necessary financial protocols, including GASB 84 Considerations.

### What is GASB 84?

The Governmental Accounting Standards Board (GASB) issued Statement No. 84: Fiduciary Activities, which helps improve accounting and financial reporting on fiduciary activities for government entities, like school districts. Basically, GASB 84 is a set of accounting rules that ensure public schools properly manage and report their financial activities. It focuses on how to account for funds that are technically under the school's control but are managed by outside groups, ensuring those funds are handled transparently and in compliance with regulations.

### How does GASB 84 affect parent-led organizations vs. student-led organizations?

According to GASB 84, school districts must have oversight and final approval on spending by student-led organizations. Those organizations are classified under GASB 84 and must follow all rules and compliances set by the government.

Parent-led organizations are NOT classified under GASB 84 and therefore must maintain their own bank account. **The district cannot legally manage funds or handle any check requests by external organizations, such as parent-led groups like PTOs and Boosters.**

**Below are guidelines on how these groups are classified and should be funded and managed:**

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### Defining Parent-led vs. Student-led Organizations

#### PARENT-LED ORGANIZATIONS

- Separate from the school district (holds independent meetings)
- Parent-led decision-making on fundraising and spending
- Funds are held by an independent treasurer
- Maintains its own bank account and Employer Identification Number (EIN)
- The district does not control deposits or expenditures

✗ **NOT reported under GASB 84**

#### STUDENT-LED ORGANIZATIONS

- Funds are student-led (e.g., clubs, athletics, band, etc.)
- School district has oversight and final approval on spending
- Funds are held in district-controlled accounts
- Deposits are made immediately into district accounts
- The district processes payments as part of financial oversight

✓ **Reported as Special Revenue Fund under GASB 84**



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## Compliance Issues & Considerations

We must enforce GASB 84 compliance guidelines for the following reasons:

### POTENTIAL COMPLIANCE ISSUES

- Parents hold fundraising cash for a prolonged amount of time before depositing
- Parents dictate spending while district staff only processes payments
- Separate PTO meetings and treasurers managing funds without district control
- District processes payments for an external parent group

**If your organization qualifies as a PTO or other parent-led group, not a Student Activity Fund, then it can NOT be classified under GASB 84 and therefore must be managed independently and separately from the district.**

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## Recommended Actions for Compliance & Best Practices

### IF YOU ARE A PARENT-LED ORGANIZATION / PTO:

- The group should maintain its own bank account and manage payments internally, this includes a separate EIN and/or Tax Exempt ID
- The district **should not** handle check requests for external organizations
- PTOs should have clear bylaws and financial policies independent of the school district

### IF YOUR GROUP NEEDS TO BE A STUDENT ACTIVITY FUND (*requires changes*):

- Funds should be deposited immediately into a district-controlled account
- The district should have final authority over how funds are used
- The treasurer role should be within district oversight, **not independent**

For questions or additional information and resources, contact:

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