Are Parent Groups Really Good for Schools?

Parent groups usually are a great resource for schools. They raise significant funds for the “extras” that other funding does not cover; they bring parents into schools to volunteer; and they sponsor field trips, assemblies and festivals. However, parent groups—PTOs, PTAs, and booster clubs—can be a bane as well as a blessing. They often do not understand school rules and policies—for example, when they ask to use school facilities on weekends or at odd hours, or expect special treatment for their children. In addition, mismanaged funding can raise significant financial problems for their schools.

You can help parent groups work better for you and your school if you follow these basic rules:

Know who’s in charge. Parent groups are typically independent organizations that are separate from the school. They may set their own rules, elect their own leaders, determine their own budgets, and make their own plans.

However, that does not mean that the principal has no control. As the administrator in charge of the school and its facilities, you should determine when and where the parent groups may meet on school property...and what may be included in any materials sent home through the students.

...You should determine when and where the parent groups may meet on school property...and what may be included in any materials sent home through the students.

Make sure your parent group is properly structured. All parent groups should be appropriately structured and insured. It also is best if they are incorporated, legally separating them from the school.

In most states, the forms to incorporate are online. You can usually find them on your state government’s Web site under the Secretary of State’s office and/or the corporation division. After incorporation, most states generally require parent groups to file annual reports on a simple form sent to the group’s registered agent. Many groups list the school address as the registered office address and may also have the principal serve as the registered agent. In this way, the annual report is more likely to get routed to the current parent group leaders for completion.

In addition, the parent group should have its own employer identification number (EIN) as well as state sales tax and other tax exemption numbers. An EIN can easily be obtained from the Internal Revenue Service by applying online at www.irs.gov.

Parent groups also should be recognized as tax-exempt 501(c)(3) organizations. This allows contributions to be tax-deductible for the donor, making the groups eligible for foundation and corporate grants to support school projects. To obtain federal tax exemption, parent groups must complete IRS Form 1023, available on the IRS Web site, and pay $500. Alternatively, groups may become tax-exempt by joining an umbrella organization, such as Parent Booster USA (www.parentbooster.org), which obtains IRS tax exemption for its mem-
bers through a group letter ruling process and can be easier, faster, and less expensive than applying to the IRS directly.

**Insist that your parent group be insured.** Schools commonly are insured to cover risks related to school activities. However, do not take for granted that the school’s insurance will cover parent group events, even when held on school grounds. Be sure to review the school’s policy. A rider may be necessary, or you may need to ask the parent group to seek its own insurance.

There are four main types of insurance your parent group should have:

- Property insurance protects against loss or theft of property, such as fundraising items;
- Directors’ and officers’ insurance protects them against claims based on how they handle their duties;
- Bonding protects against loss of funds due to embezzlement or other means; and
- General liability protects against claims for loss or injury to students and others at the organization’s events.

**Do an annual checkup.** Even if a parent group has been properly structured in the past, an annual checkup is a good idea. It is common for the corporate status of parent groups to terminate due to failure to file routine forms, and the group’s insurance may lapse due to nonpayment. Requesting a current certificate of insurance at the beginning of each school year is a good idea.

**Attend meetings and encourage school staff to get involved.** The only way to know what is going on with your parent group is to attend its meetings and to articulate the priorities for volunteers and financial support. Parents also welcome the support and insights of the school staff.

By helping your parent groups understand how they can best work with your school, you can develop a healthy and helpful relationship that will enable them to be valuable resources for volunteers and fundraising.

Sandra Pfau Englund is an attorney who is the mother of three children and president of her community’s elementary school PTO. Her e-mail address is spfau@nonprofitlaw.com.

---

Get a head start on holiday shopping for your staff and colleagues at the National Principals Resource Center (NPRC).

Log on to [www.naesp.org/nprc/](http://www.naesp.org/nprc/) and find:

- Motivational and humorous books for staff.
- Books filled with inspirational quotes about leadership and education.
- Gift Certificates for people to spend how they want.

Members who shop online get an additional 10 percent off already reduced prices!

Check some people off your shopping list today with the NPRC!