

Sanctioned Organizations  
Frequently Asked Questions  
Current as of April 19, 2021

We have compiled the following list of the most frequently asked questions in regard to the Board policy and regulations for organizations that are requesting to be sanctioned from the Coweta School District's School Activity Fund. If your question is not answered on this list, please call the Educational Service Center @ 918-486-6506. Please note, however, that the District cannot provide legal or tax advice to its sanctioned groups. An independent legal or financial professional should be consulted for those issues.

**Q: How do I obtain an Employer Identification Number (EIN)?**

A: You may obtain an EIN over the phone, via U.S. mail, or most conveniently through the IRS website. To obtain by mail, go to [www.irs.gov](http://www.irs.gov), click on Form SS-4, print, fill out, and mail. The IRS will send you your EIN in 4-6 weeks. If you apply online, you should receive your EIN number at the time you apply.

**Q: Our organization recently received our Employer Identification Number from the IRS. Are we a tax exempt organization?**

A: Probably not. A new organization must apply for tax-exempt status or 501(c)(3) status on its own. These different types of tax treatment are governed by Oklahoma law and federal law. The District cannot advise as to whether your organization can or should apply for tax exempt or 501(c)(3) status.

**Q: Will our organization have to file a corporate tax return?**

A: Perhaps. This will depend on a number of factors, which may include the amount of money raised by the organization, whether the organization has any employees, and others.

**Q: Our organization would like to recognize a school employee by giving her/him a check for \$500.00. Is this permissible under the rules?**

A: No. The District doesn't allow this practice because the Internal Revenue Service considers this to be taxable income for which payroll taxes must be withheld.

**Q: Can the District use our contributions for something other than what we have requested?**

A: No. The District will consider your contribution to be a conditional gift. If the District believes that your contributions cannot or should not be used for the purpose that your organization has specified, the contribution will be returned to your organization.

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**Q: Our organization would like to donate a piece of audio equipment to our site's choir instructor. Is this permissible under the new rules?**

A: Yes and No. As long as the donation is made with the understanding that the equipment will belong to the District for use in choir class, there is no prohibition in the rules.

**Q: Our organization frequently presents faculty and staff members with gift cards as tokens of our appreciation for their hard work. Is this permissible under the rules?**

A: No. The IRS has ruled that gift cards are NEVER a de minimis fringe benefit. Therefore, these gifts are taxable income to our employees and will no longer be permitted.

**Q: Our organization would like to give \$1.00 gift cards to faculty and staff members. Is this permissible under the new rules?**

A: No. The IRS has ruled that gift cards are NEVER a de minimis fringe benefit.

**Q: Our organization would like to donate a seat at a district approved banquet to the Teacher of the Year. Is this permissible under the rules?**

A: Probably. Depending upon the nature of the event and the value of the ticket, the donation of a single dinner ticket may be considered a de minimis fringe benefit that will not be considered taxable income. Organizations should note that there is no single rule to determine whether a gift is a de minimis benefit, so if there is any question about it an organization should consult its legal or tax advisors.

**Q: Some members of our organization would like to make a cash donation to a District faculty or staff member. We will be using our own personal funds, and not organization funds. Is this permissible under the new rules?**

A: No. Although the rules and regulations only address sanctioned organizations, and not the actions of the individual members, an attempt by group members to circumvent District's rules could result in revocation of sanctioning.

**Q: Can the District reject our contribution?**

A: Yes. Because the District must comply with multiple state and federal laws, the District may find it necessary to reject a contribution.

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**Q: If someone provides services to our organization, how do we know what our tax obligations are?**

A: First, you should consider whether the person is a District employee or not. If so, then you will make all payments to the District, and the District will calculate tax obligations. If the person is not a District employee, then you must determine whether the person providing services is an independent contractor or an employee. The IRS considers many factors in determining whether a person is either one. If you are unsure, ask the person for evidence of their business status, such as a Form W-9. Then, you must ensure that you have reported the payment to the IRS, if required, and/or made withholdings as required. You may need to contact a legal or tax professional for assistance.

**Q: Our organization works with an independent contractor to provide choreography services for our dance team. What are our obligations?**

A: Your organization has several obligations in this scenario. First, you must determine whether the choreographer is an employee of the organization or an independent contractor. If you are unsure, you may ask the IRS for their opinion by filling out Form SS-8. At the end of the tax year, you may be required to report those payments on Form W-2 or Form 1099. Your organization may wish to consult a professional with respect to these payments.

**Q: Our organization would like to make a contribution to the District for the construction of a garden area and park bench for campus beautification. What steps should we take?**

A: The District is grateful for community participation in campus beautification. However, any project that will result in a long-term change to the District's appearance must be approved by the Executive Director of Operations, Kevin Hutchins. This process will ensure that the project conforms to the District's overall appearance and maintenance requirements.

**Q: Our organization would like to support Coweta Public Schools, but we are not certain we can comply with the new rules. What should we do?**

A: Your organization could choose not to apply for sanctioning. If this is the case, you can make any contributions you would like directly to the District, who will ensure compliance with Oklahoma school activity fund laws. Please contact the District for more information on operating an organization that is not sanctioned by the Board of Education.

**Q. What is a Form W-9?**

A. A Form W-9 is a form you should request from each vendor you pay, and includes information regarding the type of entity the vendor is, as well as their Federal tax ID number.

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**Q. How do I know which vendor to send a Form 1099 to?**

- A. Any vendor who supplies SERVICES to your organization or you RENTED something from, or they received a PRIZE or AWARD, and were NOT already an employee of Coweta Schools, would receive a Form 1099 if:
1. You paid them \$600 or more during the calendar year AND:
  2. Their entity type was NOT a corporation, a governmental entity or a Non-Profit Organization.

Types of services might include advertising, printing, accounting services, accompanists, DJ's, cheer or contest judges, music writers, officials, photographers, landscapers, graphic designers, seamstresses, etc.

Thank you for your continued support of Coweta Public Schools!