

PUBLIC EDUCATION FOUNDATION

AMENDMENTS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Sheryl L. Allen

Senate Sponsor: Dan R. Eastman

LONG TITLE

General Description:

This bill modifies provisions of the State System of Public Education relating to the financial accountability of school district foundations.

Highlighted Provisions:

This bill:

- ▶ requires school district foundations to report certain financial information to schools;
- ▶ prohibits a school district foundation from engaging in certain political activities;
- ▶ requires a local school board that establishes a foundation to require the foundation to follow certain accounting, purchasing, and check issuance policies; and
- ▶ makes technical corrections.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53A-4-205, as last amended by Laws of Utah 1999, Chapter 225

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **53A-4-205** is amended to read:

53A-4-205. Establishment of public education foundations -- Powers and duties --

30 **Tax exempt status.**

31 (1) State and local school boards may establish foundations to:

32 (a) assist in the development and implementation of the programs authorized under this
33 part to promote educational excellence; and

34 (b) assist in the accomplishment of other education-related objectives.

35 (2) A foundation established under Subsection (1):

36 (a) may solicit and receive contributions from private enterprises for the purpose of this
37 part;

38 (b) shall comply with Title 51, Chapter 7, State Money Management Act, and rules
39 made under the act;

40 (c) has no power or authority to incur contractual obligations or liabilities that
41 constitute a claim against public funds except as provided in this section;

42 (d) may not exercise executive, administrative, or rulemaking authority over the
43 programs referred to in this part, except to the extent specifically authorized by the responsible
44 school board;

45 (e) is exempt from all taxes levied by the state or any of its political subdivisions with
46 respect to activities conducted under this part; ~~and~~

47 (f) may participate in the Risk Management Fund under Section 63A-4-204[-];

48 (g) shall provide a school with information detailing transactions and balances of funds
49 managed for that school;

50 (h) shall, for foundation accounts from which monies are distributed to schools, provide
51 all the schools within a school district information that:

52 (i) details account transactions; and

53 (ii) shows available balances in the accounts; and

54 (i) may not:

55 (i) engage in lobbying activities;

56 (ii) attempt to influence legislation; or

57 (iii) participate in any campaign activity for or against:

- 58 (A) a political candidate; or
59 (B) an initiative, referendum, proposed constitutional amendment, bond, or any other
60 ballot proposition submitted to the voters.
- 61 (3) A local school board that establishes a foundation under Subsection (1) shall:
62 (a) require the foundation to:
63 (i) use the school district's accounting system; or
64 (ii) follow written accounting policies established by the board;
65 (b) review and approve the foundation's accounting, purchasing, and check issuance
66 policies to ensure that there is an adequate separation of responsibilities; and
67 (c) approve procedures to verify that issued foundation payments have been properly
68 approved.