



Summer Camp Financial Best Practices and Guidance

Prepared by: Ohio High School Athletic Association and Allied Education Organizations

Background

For decades, Ohio's schools have engaged in the provision of interscholastic athletics as a part of the whole educational process for students. These activities provide students with the privilege to learn important life lessons in a safe and nurturing environment headed by professional educators who have the best interests of the students at heart.

Inevitably, as interscholastic programs have evolved from an informal collection of students playing games to more structured gathering, coaches and schools have been interested in helping students improve their skills in their selected sports.

One primary method by which coaches provide improvement opportunities to student athletes is through the provision of summer sport camps in their local areas. Summer sports camps are the most common, by far, of these types of activities conducted by schools primarily because of the free time students and staff members have to participate. However, this guidance equally applies to any other activity of a similar nature regardless of the time of year when the activity occurs. Examples of this would include holiday camps, weekend camps or other out of traditional sports season camps as well as musical and other academic camps.

This document is designed to provide guidance and methods by which coaches and schools may conduct summer camps, both operationally and financially as well as principles that can be used similarly for holiday, weekend, musical and academic camps. These best practices contain principles which may be universally adopted for different types of activities and events, including non-athletic activities.

Analysis for Activities at Summer Camps

Summer camps have been conducted in a multitude of ways in Ohio for the last several decades. Typically, these camps have fallen into one or more categories:

- School Administered
- Booster Club Administered
- Coach Administered
- Some combination of school administered, booster club administered or coach administered

As a result, there are currently variances between school districts and administrators which cause issues from financial, liability and operational standpoints. This document is designed to assist school administrators with making decision on how to structure these activities to protect all persons involved in their administration.

Scope of Issue

Each year, the OHSAA fields hundreds of questions from schools regarding the proper administration of summer sports camps at Ohio's schools. It is estimated that several hundred schools host various summer



camps, which have varying levels effective oversight by school administrators from a financial and operational standpoint.

Guidance for Operating Summer Camps

Because summer camps come in various shapes and sizes, the intent of this guidance is to provide a basic structure for local school administrators to choose and determine the best method to meet their local needs. It is the intent of the collaborative groups to advise Ohio's schools concerning best practices in this realm of school operations.

Each school who conducts a summer camp should select from one of three options with additional details following later in this document.¹

- Option 1 – Entirely School Administered
- Option 2 – Entirely Booster Club Administered
- Option 3 – Entirely Coach Administered

Detailed Guidance by Option

Option 1 – Entirely School Administered²

A summer camp run entirely by a school is simply another type of a school based program. In this way, there is no distinction between the provision of the summer sports camp program and the school itself. Because of this, the following administrative requirements must be met to qualify for this methodology:

- The summer camp may use the school's logos, nickname and other identifying marks in advertising the summer camp to interested parties.
- All funds collected as fees and other revenues must be deposited with the school district treasurer or school fiscal officer. All expenses paid must be paid through the school district treasurer or school fiscal officer.
- Funds must be accounted for through school financial accounts. The school district treasurer or school fiscal officer shall determine the proper accounting treatment for the financial activities. Based on provisions found in Ohio Revised Code 117.01 relating to public funds for public entities, it is recommended the proceeds be placed within the school's financial system.³
- Because the program is the school's activity, there are no rental fees or other fees to use the facilities for the summer sports camp, unless otherwise provided in the school's policies and procedures.⁴

¹ This guidance is applicable equally to public and nonpublic school members of the OHSAA.

² The Ohio Ethics Commission has jurisdiction regarding the ethical conduct of public officials and employees and it is important to review information provided by them in this regard. Their website, www.ethics.ohio.gov, contains a large amount of guidance and advisory opinions regarding the ethical conduct.

³ The school treasurer or financial officer makes the determination about the fund coding used for the proceeds. It is likely the funds would be coded to the athletic department because of the athletic nature of the activity. However, it is ultimately the school treasurer or financial officer makes the decision regarding the coding.

⁴ As a best practice, this provision should not be confused with charging rental fees to the cost center as an internal accounting function.



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- The activities of the camp are eligible to be covered under the insurance of the school provided these activities are included under the insurance policy. School administrators are encouraged to verify with their insurance carrier prior to engaging in the camp whether camp activities are covered under the insurance policy. Adjustments to policy coverage may be necessary.

It is critically important, when conducting this process to be mindful of locally adopted governing board policies in this activity. Adherence to these policies and local practices is important to maintaining the proper stewardship of the camp activity.

Option 2 – Booster Club Administered

A booster club can provide the infrastructure to organize and conduct the summer sports camp. However in doing this, the booster club becomes the contracting entity with the school and therefore must maintain the necessary business relationships between the two entities.

An additional consideration must be made when adopting this method to accommodate the turnover of officers and key personnel within the booster club. This option may not be advisable if there is not a stable and trained cadre of personnel within the booster club. When selecting this option, there must be a commitment by both the school and the booster club to have a knowledgeable and trained group of booster club members at the head of this activity. Significant risk may exist to all entities involved if there is not sufficiently trained and consistent resources and personnel available to administer this provision.⁵

Because of these needs, the following administrative requirements must be met to accommodate this methodology:

- The summer camp may not use the school's logos, nickname and other identifying marks in advertising the summer camp to interested parties, unless by specific written permission between the booster club and the school.⁶
- All funds collected as fees and other revenues must be deposited with the booster club treasurer. All expenses paid must be paid through the booster club treasurer.
- Payments from the booster club may not be made to the coaches conducting the program as doing so would violate Ohio's ethics law.⁷
- Any payments to personnel must have an examination of independent contractor and employee regulations as promulgated by the IRS. It is strongly recommended supporting documentation for this determination be maintained by the treasurer of the booster club. As a reminder, the booster club treasurer is responsible for ensuring the determination is made in accordance with laws and regulations.

⁵ School treasurers and financial officers can provide useful consultation to booster clubs in evaluating options. Penalties for not complying with the law are significant and, in the worst case scenario, result in the booster club losing its tax exempt status or being unable to meet financial obligations due to government levies or liens.

⁶ Please note, since booster clubs and schools are separate legal entities, it is highly recommended there be a formal agreement between the booster club and the school to use logos and other identifying marks which are the property of the school entity. This recommendation should be considered regardless of the existence of a summer camp.

⁷ See Ohio Ethics Commission Opinion 2008-001 for additional information.



- Funds must be accounted for through booster club accounts. The booster club treasurer shall determine the proper accounting treatment for the financial activities. It is strongly recommended the proceeds be placed within the booster club's financial system.⁸
- Because the program is the booster club's activity, a rental fees or other fees to use the facilities for the summer sports camp must be paid according to school policy. It is strongly recommended these fees not be waived as it is critical for demonstrating arms-length transactions have been conducted.
- The activities of the camp are eligible to be covered under the insurance of the school provided these activities are included under the insurance policy. School administrators are encouraged to verify with their insurance carrier prior to engaging in the camp whether camp activities are covered under the insurance policy. Adjustments to policy coverage may be necessary.
- The booster club should ensure the appropriate filings are made with Federal and state regulators, including those required under IRS Code 501(c)(3).

Option 3 – Coach Administered⁹

There are limited circumstances when coaches could elect to conduct a summer sports camp as their own function. In doing so, the coach assumes the liability for a number of things as the employer and the owner of the camp. Additionally, there are ethical considerations to conducting camps in this manner and significant caution must be exercised.¹⁰ Because of this, the following administrative requirements must be met to accommodate this methodology:

- The coach and summer camp may not use the school's logos, nickname or other identifying marks in advertising the summer camp to interested parties because the program is not the school's activity.¹¹
- The camp advertising and forms must clearly state this is not a camp run by or endorsed by the school.
- All funds collected as fees may be considered revenue to the coach and therefore, the coach is liable for any taxes or other fees due under federal and state regulations. Reportable income is the responsibility of the coach under this method.
- All expenses must be paid by the coach by check to those vendors and employees engaged in conducting the camp.
- It is highly recommended a coach utilize the services of an attorney or accountant to set up the business processes for the coach.
- All persons working at the camp who are paid, including but not limited to instructors and other personnel, are the responsibility of the coach for proper payment and reporting to Federal, state

⁸ The booster club treasurer or financial officer makes the determination about the fund coding used for the proceeds.

⁹ To provide equitable opportunities for all members, the OHSAA requires nonpublic members to follow this provision in a similar manner as public schools.

¹⁰ Caution must be taken by the coach to not violate Ohio's ethics laws, which prohibit persons from enriching themselves as a consequence of their public employment. Penalties for violations can include fines or jail time for the offender. The OHSAA requires private schools follow this provision in a similar manner as public schools.

¹¹ See also Ohio Ethics Commission Advisory Opinion 1996-004.



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and local authorities. Coaches are responsible for maintaining appropriate documentation to support the determinations made in this regard, including employment determinations.¹²

- As clear separation between the school and coach is important to maintain under this method, rental for facilities and equipment must be paid to the school in accordance with governing board policy.
- The coach must present, to the satisfaction of the school and in the amounts and types of coverage prescribed by the school, insurance coverage to cover the risks associated with conducting the camp. This provision cannot be waived by the school district.
- All parts of the transaction must be done at arm's length, just as would be done between any other vendor and the school. The school and the coach must determine that no legal, ethical or other conflicts of interest exist between the school, the coach and any other personnel working within the camp.¹³

This guidance is provided as a service by the allied educational organizations for Ohio's schools. It was adopted by a special liaison committee which consisted of school superintendents, school treasurers, school building principals, school athletic directors, OHSAA staff and OHSAA legal counsel. Special assistance on this guidance has been provided by the Buckeye Association of School Administrators (BASA), the Ohio Association of School Business Officials (OASBO), the Ohio Association of Secondary School Administrators (OASSA), the Ohio Interscholastic Athletic Administrators Association (OIAAA), retired IRS agents and other state government entities and commissions.

This guidance is effective for summer camps held on or after May 1, 2016.

Additional Resources:

Ohio Ethics Opinion 1996-004
Ohio Ethics Opinion 2008-001
Ohio Ethics Opinion 2008-004

¹² It is highly recommended the coach review, use and understand IRS publications regarding independent contractor versus employee. One such location for information is found at <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Independent-Contractor-Self-Employed-or-Employee>

¹³ See also Ohio Ethics Commission Advisory Opinion 1996-004

