



South Washington County Schools

Michael Johnson, Assistant Superintendent

District Service Center

7362 E. Point Douglas Rd. S.

Cottage Grove, MN 55016

Phone: 651-425-6208 Fax: 651-425-6318

December, 2017

Booster Club Presidents, Treasurers, and Head Coaches,

The district must inform all of our booster clubs regarding a change in the payment of coaches' stipends. The district's Human Resources and Finance Departments have worked closely with District and School Administration on this change.

On January 1, 2017, the district had communicated to Activities Directors that required all stipends to be paid through payroll and booster clubs must pay the district in advance. The District previously allowed booster clubs to pay their own coaches; after the District's experience and advice from legal counsel, we required this change. There was great potential for liability, and we have experienced and would continue to experience improper procedures with numerous booster clubs if we did not alter our past procedure.

Although this is a procedural concern first; the District must also alter policy after its communication with the MSHSL, and they provided documentation of the requisite statute and alterations - MN 123B.49 Sub 2, 4.

Our procedure as of January 1, 2017, is as follows:

If a booster agrees that labor needs to be hired, with a foreknowledge of cost involved, and having been preapproved in the budget, the booster donates money to cover the cost of a district-initiated services rendered agreement (in the case of a person who is not a district employee). In the case of additional positions listed in the contract, the booster donates money to cover full amount of the district's expense (salary and employer's portion of benefits) at the rate of pay dictated by the Working Agreement. In both cases, the donation precedes the employment.

If the actual salary plus benefit cost is lower than anticipated, the balance of the donation will be utilized for designated program support. If the actual salary plus benefit cost is higher than anticipated, the balance of the cost shall be borne by the District.

The employer's portion of benefits is intended to cover mandated employer FICA and pension matching costs. The benefit rate shall be determined on July 1st of each fiscal year and shall be based on effective rates as of that date. As of July 1, 2016, the benefit rate is 15.15%. The formula for calculating the donation is shown below:

Salary	\$	_____	per District Working Agreement
Benefits	+	\$ _____	15.15% of Salary
Total	=	<u><u>\$ _____</u></u>	Calculated Donation Amount

Any altered forms and specific documentation that are required will be shared through Activities Directors Marvin Wooten, Phil Kuemmel, and Joel Olson.

Sincerely,

Mike Johnson
Assistant Superintendent