



ALAN WILSON
ATTORNEY GENERAL

February 17, 2011

The Honorable Glenn G. Reese
South Carolina Senate, District 11
P.O. Box 142
502 Gressette Senate Office Building
Columbia, SC 29202

Dear Senator Reese:

We received your letter requesting an opinion of this Office concerning the portion of Act 86 of 2009 which requires school districts to maintain a transaction register of funds expended on the district's website. Specifically, your questions are as follows:

1. Do public schools and district offices have to disclose their online gross money generated and expenditures that flow through their Athletic Departments for all their events?
2. Do they have to disclose Revenue generated and expenditures by any and all events online?
3. Do they have to disclose all expenditures related to any and all events?
4. Do their Booster Clubs for all entities have to disclose their Revenues and expenditures online?
5. Do the District Offices control all these online disclosures of Revenues generated and expenditures paid out by all entities, including Athletic Departments, Booster Clubs and any and all organizations?
6. Do the District offices have to disclose online how the Revenues are stored in various accounts and do the schools have accounts controlled by each school that must be disclosed online?

In relevant part, Act 86, 118th Gen. Assem., Reg. Sess. (S.C. 2009) provides: "For the 2009-2010 fiscal year, school districts must maintain a transaction register that includes a complete record of all funds expended over one hundred dollars, from whatever source for whatever purpose." Further, Act 86 requires the register to be "prominently posted on the district's Internet website and made available for public viewing and downloading." Act 86, § 5(A)(1). Section 5(A)(2)(a) of Act 86 requires that for each

expenditure the register must include: “(i) the transaction amount; (ii) the name of the payee; and (iii) a statement providing a detailed description of the expenditure.”

With regard to your first question, the Act does not apply to “gross money generated,” but only to any **expenditure** over one hundred dollars. Moreover, many athletic departments are formed as non-profit organizations, to which Act 86 would not apply. Accordingly, the answer to your question depends on whether the athletic department is funded by public funds or is formed as a non-profit organization. If the athletic department is supported by public funds, then any expenditure over one hundred dollars must be reported on the transaction register on the district’s Internet website. If the athletic department is formed as a separate non-profit organization, Act 86 is inapplicable and thus there is no reporting requirement pursuant to the Act.

With regard to your second question inquiring as to whether “they have to disclose revenue generated and expenditures by any and all events online,” the school district must report any **expenditure** over one hundred dollars online, i.e. on the district’s Internet website. Act 86 does not require the reporting of revenue. As to your third question concerning whether “they” must “disclose all expenditures related to any and all events,” the school district must disclose “all funds expended over one hundred dollars, **from whatever source for whatever purpose.**” (Act 86) (emphasis added). Accordingly, if the expenditure is over one hundred dollars, it must be included in the transaction register on the district’s website.

As to whether booster clubs are required to disclose their revenues and expenditures online, as stated previously, Act 86 does not require the disclosure of revenues. Furthermore, as with athletic departments, many booster clubs are formed as non-profit organizations and, accordingly, are not considered part of the school district and hence not subject to Act 86. However, if a booster club receives public funds, the school district is required to report its expenditures over one hundred dollars.

With regard to your fifth question, the language of Act 86 places the onus of the maintenance of the transaction register on the school district. Therefore, it would appear that the district offices would control the online disclosures of expenditures by all entities within the school district.¹ As noted earlier, whether the athletic departments or booster clubs fall within disclosure requirements depends on the nature of said organizations.

Lastly, with regard to your sixth question regarding whether the district offices must “disclose online how the Revenues are stored in various accounts,” as noted previously, this Act does not require the disclosure of revenue. Furthermore, your inquiry as to whether the schools “have accounts controlled by each school that must be disclosed online” appears to be, at least in part, a factual inquiry. This Office cannot make factual determinations. See Op. S.C. Att’y Gen. (December 12, 1983). However, as noted, the Act requires that the school districts disclose a “complete record of all funds expended over one hundred dollars, from whatever source for whatever purpose.” Section 5(A)(1) Obviously, funds expended from the schools within the district are included in this requirement. Further, the Act requires each school district to “maintain on its Internet website a copy of each monthly statement for all of the credit cards

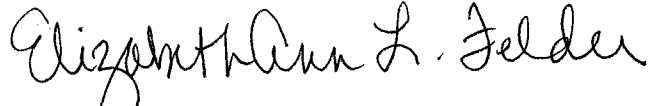
¹ “The Comptroller General must establish and maintain a website to contain the information required by this section from a school district that does not maintain its own Internet website.” Act 86 § 5(C)(1).

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maintained by the entity, including credit cards issued to its officers or employees for official use.” Act 86, § 5(B)(1).

If you have any further questions, please do not hesitate to contact me.

Very truly yours,



Elizabeth Ann L. Felder
Assistant Attorney General

REVIEWED AND APPROVED BY:



Robert D. Cook
Deputy Attorney General