

**College Station ISD
Booster Club
Guidelines**

FOREWARD

The Booster Club Guidelines were prepared to assist booster clubs by providing organizational and financial guidance. It also aims to assist booster clubs in meeting CSISD, State, and Federal requirements. It also includes suggestions for improving the organization related to day-to-day activities. Even though a booster club works very closely with CSISD, it is a separate entity from CSISD. Therefore, CSISD greatly appreciates the time, effort, and financial support that the booster clubs provide to students. In addition to these guidelines please refer to the College Station ISD Board Policy GE (Local) Relations With Parent Organizations for additional information.

Booster clubs are parent organizations established to promote school programs or complement student groups or activities. A booster club's purpose may be to support a student group or program at a particular school, or various student groups or programs at various schools. Support may be as simple as providing refreshments for a particular event or it may be as complex as raising money for an out-of-state competition. The booster club works through the principal to provide assistance for the planned activities of the student group; however, the booster club does not have the authority to decide the activities or trips in which the student group will participate. The parents and the booster club may provide suggestions about particular activities; however, the principal or other appropriate administrator is responsible for the final decision.

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BOOSTER Guidelines
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FOR YOUR RECORDS ONLY

BOOSTER CLUB Checklist

The following checklist serves as a guide to help ensure that your BOOSTER has complied with CSISD's Board Policies and guidelines and federal and state regulations governing BOOSTER CLUBS. In addition, information you document here will help future officers continue your compliance efforts.

General

1. Provide the Business Office and the School Principal with a list of the BOOSTER CLUB officers at the beginning of each school year and as officers change. The list should include:

- Name
- Office Held
- Home Phone Number
- Work/Cell Phone Number
- E-mail address and Mailing address

2. Provide the School Principal with the BOOSTER CLUB'S Articles of Incorporation, EIN #, bylaws, and operating procedures when they are originated. In addition, provide updated copies as changes are made.

3. The BOOSTER CLUB'S official mailing address is:

Official Name _____
PO Box / Street _____
City, State and Zip Code _____

Fund-raisers

4. Provide the Business Office and School Principal with a list of fund-raisers planned for the current year no later than the date established by the School Principal or September 1 for fall fundraisers and December 1 for spring fundraisers.

BOOSTER CLUB Checklist

- 5. Provide the Business Office and School Principal with detailed fund-raising information at least 30 days prior to the fund-raising event.

The detailed fund-raising information should include:

- Purpose of the fund-raiser,
- Type of fund-raising activity (i.e., candy sale, carnival)
- Date(s), time(s), and place(s) of the activity,
- Name of the sponsoring organization,
- Name and phone number of organization’s representative,
- Name and phone number of person(s) in charge of the fund-raiser, and
- Name and phone number of the person(s) who will be handling the money for the fund-raiser.

- 6. If your BOOSTER CLUB has received tax-exempt status from the Texas State Comptroller’s Office, your organization is entitled to two (2) “one-day, tax-free” sales/auction days per calendar year. (See Checklist item #15.)

If you are entitled to the two “one-day, tax-free” sales days, indicate the “one-day, tax-free” sales/auction that have been used or that are planned:

Calendar Year	_____
Date / Fund-raiser	_____
Date / Fund-raiser	_____
Calendar Year	_____
Date / Fund-raiser	_____
Date / Fund-raiser	_____

- 7. The BOOSTER CLUB cannot require members or students to fund-raise or raise a certain amount. For example, a student’s ability to attend a trip cannot be based on raising a certain amount of money. If your BOOSTER CLUB is currently requiring fund- raising, discontinue this requirement.

BOOSTER CLUB Checklist

8. The BOOSTER CLUB cannot use individual accounts to credit an individual for funds raised. If your BOOSTER CLUB is using individual accounts currently, this practice should be discontinued.

Fund-raising is an opportunity to generate revenue for the BOOSTER CLUB as a group, not individuals. Therefore, revenues should be recorded in a group account where all members or students have the same opportunity to **benefit equally** from the revenues.

One member or student should not receive a larger benefit from fund-raising than another. In addition, if a member or student chooses not to participate in the fund-raiser, that person still **receives an equal benefit** from the revenues generated.

Financial Matters

General

9. The bank accounts used by the BOOSTER CLUB include:

<u>Bank Name</u>	<u>Account Number</u>
_____	_____
_____	_____
_____	_____
_____	_____

10. Determine the identification number used for the bank accounts. The BOOSTER CLUB'S Employee Identification Number (EIN) should be used. Do not use an individual's social security number, and **do not use CSISD's EIN**.

BOOSTER CLUB Checklist

- 11. Update the authorized signers on your bank accounts as officers change.

The current authorized signers include the following BOOSTER CLUB officers:

<u>Name of Person</u>	<u>Officer Position Held</u> <u>/ CSISD Employee?</u> <u>(Yes/No)</u>
<i>Example: June Bugg</i>	<i>President / No</i>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

IMPORTANT

The Principal and the Principal’s Secretary cannot be an authorized signer on the BOOSTER CLUB’S bank accounts.

In addition, no employee of CSISD may be the club Treasurer or an authorized signer on the BOOSTER CLUB’S bank account.

- 12. The Treasurer should prepare a written BOOSTER CLUB Financial Report on a monthly basis and present to the organization’s Board. An annual financial report should be presented to the BOOSTER CLUB, the Principal and the CSISD Business Office.

- 13. CSISD requires that the annual Financial Report be reviewed by a Review Committee. A report should be prepared indicating the results of the review of the organization’s financial information, including the Financial Report. The report should be presented to the BOOSTER CLUB, the Principal and the CSISD Business Office.

BOOSTER CLUB Checklist

State Regulatory Information

*The following items need to be done **only once** since the origination of the BOOSTER CLUB.*

14. Determine whether your organization has obtained a Texas Sales Tax Permit.
The BOOSTER CLUB'S sales tax permit number is: _____
15. Determine whether your organization has obtained a sales tax-exemption from the Texas State Comptroller's Office.
- Yes, the BOOSTER CLUB has received a sales tax-exemption from the Texas State Comptroller's Office
 - No, the BOOSTER CLUB has not received a sales tax-exemption from the Texas State Comptroller's Office

Reminder: Only those organizations with a sales tax-exemption from the Texas State Comptroller's Office are entitled to the two (2) "one-day, tax-free" sales/auction days.

16. If the BOOSTER is incorporated, determine whether your organization has obtained an exemption from Texas franchise tax from the Texas State Comptroller's Office.

The BOOSTER CLUB is incorporated:

- Yes
- No

If the BOOSTER CLUB is incorporated, an exemption from Texas franchise tax was obtained from the Texas State Comptroller's Office:

- Yes
- No

BOOSTER CLUB Checklist

The following item is applicable each school year or calendar year.

17. If the BOOSTER CLUB has a Texas Sales Tax Permit then your organization must file a Texas State Sales Tax Reports as required, **EVEN IF ZERO SALES WERE MADE DURING THE PERIOD.**

The Texas State Comptroller's Office determines whether the report needs to be filed quarterly, semi-annually, or annually and is subject to change.

The BOOSTER CLUB files its Texas State Sales Tax Report:

- Quarterly,
 Semi-Annually, or
 Annually.

Federal Regulatory Information

*The following items need to be done **only once** since the origination of the BOOSTER CLUB.*

18. Obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS).

The EIN for the BOOSTER CLUB is: _____

19. Determine whether the BOOSTER CLUB has received tax-exempt status as a public 501(c)(3) organization from the IRS. If the IRS has approved the organization's tax-exempt status, a Determination Letter would have been received from the IRS.

The BOOSTER CLUB received its tax-exempt status as a public 501(c)(3) organization from the IRS:

- Yes
 No

The following items may be applicable during each school year or calendar year.

20. Issue 1099 forms to applicable individuals or businesses by January 31, of each year. If 1099 forms are issued, send information to the IRS by February 28, of each year. Check the IRS web site at www.irs.gov for information on who should receive 1099's. This is only needed if you conduct a raffle and proceeds are greater than \$600.

BOOSTER CLUB Checklist

CSISD Exempt Organizations Shall:

1. Be voluntary and support student activities of the school.
2. Comply with all CSISD policies, UIL regulations and Federal and Texas state tax laws for Booster Clubs and Exempt Organizations.
3. Submit all scheduled activities for approval by the principal prior to the beginning of each school year.
4. Comply with administrative regulations and board policy when donating money or gifts to CSISD.
5. Submit a copy of current adopted bylaws and operating procedures to the principal.
6. Pay all taxes and other debts incurred by the organization.
7. Provide evidence of adequate insurance coverage for all activities conducted on school premises. CSISD cannot provide liability insurance coverage for the Booster Club or Exempt Organizations.
8. Assume liability for personal injuries or property damage arising from their activities.
9. Have an audit committee conduct audits annually.
10. Keep minutes of each meeting on file.
11. Keep all general club meetings accessible to the public.
12. Work in cooperation with the program sponsor/coach to develop an expenditure budget and define needs.
13. Donate raised funds for authorized equipment, consultant fees, contracted services, student travel expenses etc. to the appropriate campus program activity account.
14. File IRS 990 or e-postcards on a timely basis in order to not risk forfeiture of 501(c)(3) exempt status.

CSISD Exempt Organizations Shall Not:

1. Use school facility without prior written approval by the principal.
2. Be involved in the direction of the coach/sponsor, personnel issues, scheduling of contest, rules of participation or policy making activities for a student group or interschool program. These administrative duties are the sole responsibility of the school and CSISD administration.
3. Have authority in directing or influencing CSISD employees in the administration of their duties.
4. Have the sponsor as an authorized signer on the Booster Club bank account. In addition, no other employee of CSISD may be an authorized signer on the Booster Club bank account without written approval from CSISD.
5. Establish a "petty cash" or miscellaneous funds for the coach or sponsor to be used at his/her discretion.

BOOSTER CLUB Checklist

6. Give a sponsor or coach a gift or cash in excess of the limits imposed by the University Interscholastic League (UIL) from any source in recognition of, or appreciation for coaching, directing, or sponsoring student activities.
7. Give anything to students, including awards. (Check with school administrators first before giving anything to a student, school, sponsor or coach.)
8. Sign contracts or pay expenses directly from Booster Club accounts for any arrangements for student travel associated with the organization (i.e. hotel costs, transportation, bus or airfare, fees, etc.). In lieu of the Booster Clubs and Exempt Organizations may donate money or merchandise to the school with the prior approval of the school administration.
9. Conduct excessive fundraisers involving students. Careful consideration should be giving to limiting the number of major fund-raising activities involving students. All such activities require the approval of the designated sponsor(s) and the principal.
10. Use the Booster Club or Exempt Organization funds to support any non-school activities. This includes summer leagues and tournaments for athletic Booster Clubs and Exempt Organizations.
11. Use CSISDs tax identification number as the Booster Clubs identification number.
12. Use the CSISD tax exemption form when making purchases for a Booster Club.
13. Set up individual accounts. Individual accounts are those accounts used by a Booster club to credit an individual with revenues raised. The Booster Club would use these accounts to benefit the individual by offsetting that individual's expenses with the amount credited to that individual from the revenues raised. Note: The purpose of a tax exempt organization is to benefit the entity as a whole instead of benefiting individuals. Therefore, the use of individual accounts could result in denial of the application for tax exempt status by the IRS or the loss of existing tax exempt status. In addition, the individual benefits received by people would result in taxable income to them.
14. Booster Clubs cannot do anything which endorses a political candidate including using the candidates name on banners, programs, t-shirts, etc.
15. Booster Clubs and Exempt Organizations shall not pay for teacher memberships. The dollars raised by Booster Clubs and Exempt Organizations should be directed towards students.

Taking Care of Business Overview

BOOSTER CLUBS have many responsibilities to the federal government, the state, CSISD, and to the students they support. Part of this responsibility is to keep accurate and updated records so that the organization may complete the necessary filing requirements with the state and the IRS. In addition, these records will help you prepare your annual Financial Report and Review Committee Report.

With this in mind, this section has been prepared to assist you in establishing a general record-keeping system and a general system of internal controls, and to guide you in preparing the Financial Report and related Review Committee Report. Establishing a good record-keeping system is an essential step in creating a successful organization.

Most of the reporting requirements of a BOOSTER CLUB are dependent on the financial records kept; therefore, the office of BOOSTER CLUB Treasurer is an extremely important and vital position that should not be taken lightly. Even though the Treasurer may assign certain duties to another person (i.e., Fund-raiser Chairperson – Catalog Sales), the Treasurer is ultimately responsible for assuring that all financial records are maintained accurately for the BOOSTER CLUB.

BOOSTER CLUB officers also have day-to-day responsibilities to the club, as well as the students they support. Some of these responsibilities include:

- Setting up a bank account properly,
- Accounting properly for fund-raiser income and expenses,
- Analyzing the outcome of each fund-raiser to determine its financial success/failure,
- Establishing and maintaining money handling procedures, and
- Becoming knowledgeable of CSISD policies concerning using CSISD buildings and distributing flyers.

In addition, BOOSTER CLUBS should submit certain information to the Principal and the CSISD Business Office as soon as the information changes. This information is included on the following **BOOSTER CLUB Information Sheet**.

Booster Club Information Sheet

Send an updated copy of this form to your School Principal and to the CSISD Business Office as new officers are elected or as information changes.

1. **Official Organization Name:** _____
2. **School Name:** _____
3. **Employer Identification Number (EIN):** _____
4. **Official Mailing Address:**
 PO Box / Street Address: _____

 City, State, Zip: _____
5. **Date of Change:** ____/____/____
6. **Current Organization Officers for the _____ School Year:**

Office Held:		
Printed Name:		
Phone Numbers:	Home:	Other:
Mailing Address:		
E-mail Address:		

Office Held:		
Printed Name:		
Phone Numbers:	Home:	Other:
Mailing Address:		
E-mail Address:		

★ *By law, information on this page is public information and must be released to the public at such requests* ★

Booster Club Information Sheet

Send an updated copy of this form to your School Principal and to the CSISD Business Office as new officers are elected or as information changes.

6. Current Organization Officers (Continued)

Office Held:		
Printed Name:		
Phone Numbers:	Home:	Other:
Mailing Address:		
E-mail Address:		

Office Held:		
Printed Name:		
Phone Numbers:	Home:	Other:
Mailing Address:		
E-mail Address:		

Office Held:		
Printed Name:		
Phone Numbers:	Home:	Other:
Mailing Address:		
E-mail Address:		

★ *By law, information on this page is public information and must be released to the public at such requests.* ★

Due Date Checklist

Due Date	Report	Due To
As soon as available	Meeting & Activity Calendar	Principal & Post for all
*April 20	State Sales Tax Return (January – March) http://www.window.state.tx.us/webfile/index.html	Copy sent to CSISD Business Office
May 15	Franchise Tax Report http://www.window.state.tx.us/webfile/index.html	Copy sent to CSISD Business Office
*July 20	State Sales Tax Return (April – June) http://www.window.state.tx.us/webfile/index.html	Copy sent to CSISD Business Office
September 1 Update for any changes after that	BOOSTER Club Information Sheet	Principal & CSISD Business Office
September 1	Year-end financial report prepared by Treasurer	Principal & CSISD Business Office
September 1	Year-end financial audit or Review Committee report	Principal & CSISD Business Office
September 1	Fundraiser information for fall fundraisers	Principal & CSISD Business Office
*October 20	State Sales Tax Return (July – September) http://www.window.state.tx.us/webfile/index.html	Copy sent to CSISD Business Office
December 1	Fundraiser information for spring fundraisers	Principal & CSISD Business Office
*January 20	State Sales Tax Return (October – December) http://www.window.state.tx.us/webfile/index.html	Copy sent to CSISD Business Office
*State Sales Tax Return: Monthly, Quarterly, Yearly (based on qualifications): 20th day of the month following the end of the reporting period.		

Authoritative Guidelines Overview

Booster Clubs are governed by various entities. The School District has Board Policies and guidelines that **must be followed** by Booster Clubs, as well as guidelines that the School Principal or Administrator (*if the Booster Club is not located at a school*) may implement. Also, the Booster Clubs must follow the guidelines of the University Interscholastic League (UIL); the State of Texas; and the federal government, through the IRS. Some state regulations relate to state sales tax while other regulations involve becoming incorporated or involve the holding of a raffle.

The following information is included in this section:

- ◆ CSISD Board Policy GE (Local), *Relations with Parents or Parents' Organizations*
- ◆ UIL Booster Club Guidelines
- ◆ State Regulatory Information
- ◆ Federal Regulatory Information

The UIL Booster Club Guidelines do not necessarily include all rules that may apply to your organization. For specific questions, you should contact UIL directly.

The state and federal regulatory information included in this section does not include all laws or rules that may apply to your particular situation. This information is provided by CSISD's Internal Audit Department; however, Internal Audit is not an authority on specific accounting situations or tax-related issues concerning individual Booster Clubs. Therefore, Booster Clubs should obtain competent independent counsel, such as a Certified Public Accountant (CPA) or an attorney, to address accounting and tax matters related to their specific circumstances. The cost of these services would be the Booster Club's responsibility. In addition, the IRS and the Texas Comptroller's Office may be contacted for questions related to your organization's specific situation.

IMPORTANT

Booster Club officers are solely responsible for ensuring that their Booster Club is in compliance with District policies and guidelines, UIL guidelines, and state and federal regulations.

Therefore, the District, including any District employee, is not responsible for a Booster Club not complying with the various policies, guidelines, and regulations.

University Interscholastic League (UIL) Booster Club Guidelines

The UIL Guidelines can be found and downloaded at the following website:

www.uiltexas.org/policy/booster-club-guidelines

If you have questions concerning UIL guidelines, please contact:

Mailing Address

University Interscholastic League
P.O. Box 8028
Austin, Texas 78713

Phone: 512-471-5883

Phone for theatre only: 512-471-9996

Policy and Administration: director@uiltexas.org

Athletics: athletics@uiltexas.org

Academics: academics@uiltexas.org

Music: music@uiltexas.org

State Regulatory Information

This section has been prepared to provide general, not specific or all-inclusive, information to Booster Clubs regarding state tax regulations. Steps have been documented to aid a Booster Club in abiding by the regulations; however, these steps are only general guidelines and do **not** ensure that a Booster Club will remain in compliance with all state tax regulations.

Each Booster Club should strive to remain in good standing with all state agencies. **Therefore, each Booster Club is responsible for obtaining its own competent independent counsel on accounting and tax matters related to its specific circumstances.** This counsel may include a Certified Public Accountant (CPA) or an attorney. The cost of these services would be the Booster Club's responsibility. Booster Club officers are solely responsible for ensuring that their Booster Club is in compliance with all state regulations. Therefore, CSISD, including any CSISD employee, is not responsible for a Booster Club not being in good standing with all state agencies. However, CSISD has provided the following information that includes detailed steps Booster Clubs should take to comply with state tax regulations.

This information is organized as follows:

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OBTAINING A TEXAS SALES TAX PERMIT

To sell any taxable items within the State of Texas, a company, organization, or person must apply for a Sales Tax Permit. Booster Clubs should obtain a Texas Sales Tax Permit if you intend to sell goods or taxable services in Texas. The sale of goods **does include** fund-raisers, such as candy sales, T-shirt sales, and sales of other items. In addition, some Booster Clubs sell services that may be taxable. Booster Clubs may obtain a Texas Sales Tax Permit by submitting the completed applications to the Texas Comptroller's Office. You **must** apply on-line for the Texas Sales Tax Permit.

Note: Go to the Texas Comptroller of Public Accounts website at www.window.state.tx.us.

A Texas Sales Tax Permit will be issued to the Booster Club along with a Sales Tax Permit Number. The Texas Sales Tax Permit Number has 11 digits and begins with a 1, 2, or 3. The permit numbers beginning with a "1" are based on an entity's EIN. Those permit numbers beginning with a "2" are based on a person's social security number. The permit numbers beginning with a "3" are assigned by the Texas Comptroller's Office.

Booster Clubs cannot use CSISD's Sales Tax Permit Number.

To determine if your Booster Club has a permit, you may use the searchable Taxpayer Information Database at www.window.state.tx.us/taxinfo/exempt.

QUALIFYING FOR EXEMPTION FROM TEXAS SALES AND USE TAX

To apply for exemption based on the federal exempt status, complete application *AP-204*. See website at www.window.state.tx.us/taxinfo/exempt. On this webpage, you may also do an Exempt Organization Search to verify if your Booster Club is exempt.

The sales and use tax exemption allows approved organizations an exemption from sales tax when purchasing items to further the organization's exempt purpose. Therefore, this exemption allows the approved Booster Club to make sales tax-exempt purchases of items intended for resale for a fund-raiser. **This exemption process is separate and in addition to applying for federal tax-exemption from the IRS.**

The Booster Clubs with the exemption are entitled to two (2) "one-day, tax-free" sales or auctions per calendar year. A fund-raiser qualifies for the "one-day, tax-free" sale/auction if all items are to be delivered on one day. Each "one-day" sale/auction may not exceed 24 consecutive hours.

Remember: You must be granted the exemption first to be entitled to the two (2) "one-day, taxfree" sales or auctions per calendar year.

Sales of items such as T-shirts, candles, cups, etc. are subject to sales tax when sold on days other than the two (2) "one-day, tax-free" sale/auction days.

All **catalog fund-raisers** are considered taxable, and **CANNOT** be considered as one of your two (2) "one-day, tax-free" sales per calendar year. Your booster club is considered an agent of the vendor and, therefore, must collect sales tax for items sold that are taxable.

If you plan to hold a catalog fund-raiser, tax must be collected for those items in the fund-raiser that are taxable. For instance, gift wrap is taxable, but cookie dough is exempt from sales tax by law. The vendor should remit the applicable sales tax to the Texas Comptroller's Office.

REPORTING REQUIREMENTS

The Texas Comptroller's Office requires that Booster Clubs file at least one sales tax report per calendar year. The frequency of filing the sales tax report is determined by the Texas Comptroller's Office. The amount of anticipated sales tax payments affects the frequency of reporting. The sales tax reports may be due monthly, quarterly, or annually. Some Booster Clubs have reports due on a seasonal basis (semiannually).

This reporting frequency is no longer available for new Booster Clubs.

Since sales tax payments may vary from year to year, the frequency of reporting can also change. The Texas Comptroller's Office will generally communicate changes in filing requirements to the Booster Clubs in writing. In addition, the Texas Comptroller's Office will generally mail the required reporting form and information to organizations that have obtained a Sales Tax Permit.

FRANCHISE TAX

Every profit and nonprofit corporation in Texas must file all franchise tax reports and public information reports with appropriate payment until the Texas Comptroller's office has granted tax exemption. Failure to do so will cause the loss of corporate privileges as well as the forfeiture of charter by the Texas Secretary of State.

Booster Clubs that have received their Determination Letter from the IRS granting 501(c)(3) tax exemption may also request exemption from the Texas franchise tax through the Texas Comptroller's Office.

Although a nonprofit corporation that is exempt from federal income tax under Internal Revenue Code 501(c)(3) is exempt from franchise tax, the exemption is **not automatically granted**. Booster Clubs must apply for exemption with the Texas Comptroller's Office based on the federal exempt status.

CHANGE IN ADDRESS

If the mailing address for the Booster Club changes, immediately notify the Texas Comptroller's Office. Failure to do so may result in important correspondence being lost. To avoid frequent mailing address changes, the Texas Comptroller's Office recommends that each Booster Club obtain its own post office box (PO Box) or private mailing box (PMB) to be used for official Booster Club mail. In addition, the post office box address and keys can be given easily to the new officers at the beginning of each new year.

Texas Comptroller's Office

Austin Office 1-800-252-5555 (toll-free)

Website addresses

Texas Comptroller's Office www.window.state.tx.us

Sales Tax Information www.window.state.tx.us/taxinfo/exempt

Exempt Organizations www.window.state.tx.us/taxinfo/exempt

Federal Regulatory Information

This section has been prepared to provide general, not specific or all-inclusive, information to Booster Clubs regarding federal tax regulations. Steps have been documented to aid a Booster Club in abiding by the regulations; however, these steps are only general guidelines and do **not** ensure that a Booster Club will remain in compliance with all federal tax regulations.

Each Booster Club should strive to remain in good standing with all federal agencies, including the Internal Revenue Service (IRS). **Therefore, each Booster Club is responsible for obtaining its own competent independent counsel on accounting and tax matters related to its specific circumstances.** This counsel may include a Certified Public Accountant (CPA) or an attorney. The cost of these services would be the Booster Club's responsibility.

GENERAL FEDERAL REGULATORY INFORMATION

Booster Club officers are solely responsible for ensuring that their Booster Club is in compliance with all federal regulations. Therefore, CSISD, including any CSISD employee, is not responsible for a Booster Club not being in good standing with all federal agencies. However, CSISD has provided the following information that includes detailed steps Booster Clubs should take to comply with federal tax regulations.

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For more details, see Life Cycle of a Public Charity on the IRS website at www.irs.gov/charities and see IRS Stay Exempt at www.stayexempt.irs.gov/.

OBTAINING AN EMPLOYER IDENTIFICATION NUMBER

Every organization must have an employer identification number, even if it will not have employees. The employer identification number is a unique number that identifies the organization to the Internal Revenue Service.

Since Booster Clubs are separate entities from CSISD, **Booster Clubs cannot use CSISD's EIN.**

IMPORTANT

An organization is not automatically considered tax-exempt by acquiring an EIN. All organizations must first apply for an EIN to be recognized as a unique entity and then apply for tax-exempt status. Likewise, the mere fact that an entity is organized as a nonprofit organization does not indicate that it is exempt from federal tax.

Booster Clubs may obtain an EIN by:

1. Applying Online

Once the application is completed, the information is validated during the online session, and an EIN is issued immediately.

2. Applying by Phone

Call Business & Specialty Tax Line at (800) 829-4933. The EIN will be issued to the individual over the telephone.

3. Applying by Fax

Fax the completed [Form SS-4](#) application to (859) 669-5760. A fax will be sent back with the EIN within four (4) business days.

4. Applying by Mail

Mail the completed Form SS-4 to:
IRS
Attn. EIN Operation
Philadelphia, PA 19255

The processing timeframe for an EIN application received by mail is four weeks.

Note: No fee is required for obtaining an EIN.

After receiving your EIN, you may use it to then open a bank account and obtain a State Sales Tax Permit. **Booster Clubs should not use an individual's social security number to conduct the business of the organization.**

Copies of the completed SS-4 form and the IRS response documenting the assigned EIN number should be kept in the Booster Club's permanent records from year to year. You may also want to have the Secretary keep a backup copy of these documents on a CD.

WHY DO I WANT TO BE TAX-EXEMPT?

The IRS Tax Code provides for special treatment of certain organizations identified as "tax-exempt." Some benefits to becoming tax-exempt as a public 501(c)(3) organization include:

1. Taxes are not paid to the IRS for revenues raised, and
2. Contributions to certain tax-exempt organizations [501(c)(3)] are tax-deductible by the contributor.

However, the following are restrictions placed on tax-exempt organizations that Booster Clubs **must follow** to receive tax-exempt status and to retain that status:

- ◆ **Tax-exempt organizations must benefit a group as a whole instead of benefiting individual members of a group.** Since Booster Clubs usually assist student groups, all members of the student group sponsored are to be treated equally and receive the same opportunity to benefit from the Booster Club's assistance. Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need discussed below is met.

In some instances, individuals may not be able to afford to pay the amount owed to

participate in a particular event. The IRS has indicated that a group or club may establish criteria that could be used to determine if a person is in financial need. If the criteria are met, the group or club could provide the necessary funds to allow the individual to participate. The criteria should be established in writing prior to a particular situation arising. In addition, the criteria should be used consistently for all people, and the criteria should not change every year.

◆ **Tax-exempt organizations cannot use individual accounts.** "Individual accounts" are those accounts used by a Booster Club to credit *an individual* with revenues raised. The Booster Clubs would use these accounts to benefit *the individual* by offsetting *that individual's expenses* with the amount credited to *that individual* from the revenues raised. Please note that individual accounts do not refer to bank accounts.

The purpose of a tax-exempt organization is to benefit an entity as a whole instead of benefiting individuals. Therefore, the use of individual accounts could result in denial of the application for tax-exempt status by the IRS or the loss of existing tax-exempt status. In addition, the individual benefits received by people would result in taxable income to them.

◆ **Tax-exempt organizations cannot require a person to participate in fund-raising activities.** Normally, Booster Clubs raise funds for a student group through the efforts of the Booster Club members; however, sometimes the students of the group being assisted participate in the fund-raising activities. A Booster Club cannot require its members or the students in the related student group to participate in a fund-raiser. Furthermore, members of the student group who do not participate in fund-raising activities would receive the same opportunity to benefit as those members of the student group who participated. The members or students cannot be penalized in anyway for not participating in a fund-raiser.

◆ **Tax-exempt organizations cannot require that a certain amount be raised or sold per person.** For example, a Booster Club cannot require that each Booster Club member or student of the assisted group sell \$20 worth of candy or sell 10 candy bars in a fund-raiser.

The following is an illustration of the above concepts:

A dance team is attending a summer dance camp that costs \$2,000 for its 10 members (\$200 each). The Dance Team Booster Club decides to have a catalog fund-raiser to help defray some of the cost of the summer dance camp. The catalog sale generates a total of \$200 of revenue. Of the 10 total members of the dance team, only 2 participate in the catalog sale that generates the \$200, which is deposited into the Dance Team Booster Club's bank account.

*Since revenues from the catalog sale were to be used to defray some of the dance camp expense, the tax-exempt Dance Team Booster Club must give all 10 dance team members an equal opportunity to benefit from the catalog sale, even though only 2 members participated. This means that **each member's cost** would be reduced by \$20 (\$200 / 10 members). Therefore, each member's cost for attending the summer camp would be \$180 (\$200 cost - \$20 fund-raiser benefit).*

WHY DO I WANT TO BE A PUBLIC 501(c)(3)?

When applying for tax-exempt status with the IRS, Booster Clubs should apply for the **public 501(c)(3) tax-exemption**. This type of exemption means that the organization is tax-exempt; the majority of its income is from the public; and all donations, subject to certain individual restrictions, are deductible on the contributor's tax return. In addition, 501(c)(3) organizations are eligible for state tax benefits. (*See*

the State Regulatory Information.)

The IRS has several other tax-exempt categories; however, the 501(c)(3) status is the **ONLY** category that allows any donations to be deductible on the contributor's tax return. All other categories allow for tax-exemption, but do not allow for deductible donations under any circumstances.

With a 501(c)(3) tax-exempt status, an organization may be public or private. A private 501(c)(3) organization has additional requirements and constraints that a public 501(c)(3) organization does not have.

Therefore, all Booster Clubs should apply for tax-exempt status as a public 501(c)(3) organization.

BECOMING A PUBLIC 501(c)(3) TAX-EXEMPT ORGANIZATION

Tax-exempt status is not automatic once an EIN has been issued; **organizations must apply for tax exempt status.** According to the IRS, an organization is either a taxable organization or a tax-exempt organization. Furthermore, organizations may **not** represent themselves as tax-exempt until they have obtained notification from the IRS stating they are a tax-exempt entity.

According to Board Policy GE (Local), **all Booster Clubs must obtain tax-exempt status with the IRS as a public 501(c)(3) organization.** The Booster Club officers should take the necessary steps to ensure they follow the regulations regarding that type of entity.

APPLYING FOR 501(c)(3) TAX-EXEMPT STATUS

1. Complete IRS Form 1023 (Application for Recognition of Exemption) seeking tax-exempt status as a **public 501(c)(3)** organization.
2. Complete IRS Form 8718 (User Fee for Tax-exempt Organization Determination Letter Request) and pay the required fee of \$400 or \$850.
3. Mail Form 1023, Form 8718, and a check for the filing fee to:

Internal Revenue Service
PO Box 192
Covington, KY 41012

The filing fee is \$400 if your annual gross receipts averaged **no more than \$10,000** during the last 4 years or if you are a new organization that does not anticipate annual gross receipts exceeding \$10,000 during your first 4 years.

The filing fee is \$850 if your annual gross receipts averaged **more than \$10,000** during the last 4 years or if you are a new organization that anticipates annual gross receipts exceeding \$10,000 during your first 4 years.

Annual gross receipts: The total amount of revenue collected by an organization during its reporting year from any source. Sources may include, but are not limited to, membership fees, donations, fund-raising revenues, amounts collected for the payment of expenses (e.g., uniforms, trips), and any other amounts received.

To determine annual gross receipts:

- **Add** all deposits made to the Booster Club's bank account(s),
- **Add** cash on hand that was not deposited by the end of its reporting year,
- **Less** transfers from one bank account to another, and
- **Add** expenses paid with money collected that was not deposited in the Booster Club's bank account(s).

When completing the IRS Form 1023, Booster Clubs will establish their fiscal year-end (*also known as the accounting period year-end or official year-end*). Once this date is established, the IRS does not easily allow an organization to change it. Changes are usually only allowed for extreme circumstances.

The date established will determine when the Booster Club has to file their informational return (Form 990) to the IRS. The return is due 4 ½ months after the end of a fiscal year (*the 15th day of the 5th month after the organization's accounting period ends*).

When considering a fiscal year-end date, you may wish to align your year-end with the school's year-end date of July 31. This way, the financial activity of the Club can relate easily to a given school year.

Second, the current officers can prepare the annual Financial Report and have it audited before the new school year begins. Third, the Club's Form 990 would not be due to the IRS until November 15; therefore, the new officers would have time to prepare it after beginning the new school year.

The IRS approval process for tax-exempt status usually takes several months.

The IRS will send the organization an Acknowledgement of Your Request letter that indicates your application and fee were received and are being processed.

Upon approval by the IRS of the tax-exempt status, the organization will receive a Determination Letter stating that the organization is considered to be tax-exempt as of a certain date. Only then can the organization represent itself as a federally tax-exempt organization.

Likewise, donations to the organization are only deductible on the contributor's tax return as of the effective date on the Determination Letter received by the Booster Club granting **501(c)(3)** tax-exempt status and within set guidelines that apply to 501(c)(3) organizations.

Therefore, if the Booster Club receives tax exemption under any other code [i.e., 501(c)(4), 501(c)(7)], donations received are **not deductible on the contributor's tax return**. Furthermore, Booster Clubs should clearly state in all advertisements that donations to the organization are "**not tax-deductible**" so that a contributor is not misled and does not incur penalties levied by the IRS for taking the deduction erroneously.

If the IRS does not grant tax-exempt status, the organization will receive a Letter of Denial stating the organization is not considered tax-exempt.

Send a copy of the Acknowledgement of Your Request and a copy of the Determination Letter to CSISD's Internal Auditor when each is received.

FILING REQUIREMENTS FOR TAX-EXEMPT ORGANIZATIONS

Annually, each Booster Club must file an exempt organization information return Form 990-N, 990-EZ, or 990, *Return of Organization Exempt from Income Tax*. **The return is due by the 15th day of the 5th month after the close of your tax year.** For example, if your tax year ended on June 30, 2012, the Form 990 is due November 15, 2012. **The IRS will automatically revoke your tax-exempt status if you fail**

to file the appropriate 990 form for three consecutive years.

According to the IRS, small tax-exempt organizations, such as small Booster Clubs, are required to file an annual electronic notice Form 990-N (*e-Postcard*). The e-Postcard is required to be filed on-line. **The e-**

Postcard is due every year by the 15th day of the 5th month after the close of your tax year. You cannot file the e-Postcard until after your tax year ends.

Whether or not your Booster Club has filed for exemption status with the IRS, file the appropriate 990 form as required by exempt organizations.

For the fiscal year ends in **2011 and later**:

Booster Clubs must use Form 990-N, normally known as the e-Postcard if:

1. Gross receipts are \$50,000 or less.

Booster Clubs must use Form 990-EZ if:

1. Gross receipts are more than \$50,000 but less than \$200,000 **AND**
2. Total assets are less than \$500,000 at year-end.

Booster Clubs must use Form 990 if:

1. Gross receipts are \$200,000 or more
2. Total assets are \$500,000 or more at year-end.

CHANGE IN ADDRESS

If your address has changed, you need to notify the IRS to ensure you receive any IRS correspondence. To change your address with the IRS, complete Form 8822-B, *Change of Address - Business*, and send it to the address shown on the form.

If you have additional questions regarding the information discussed above, you may contact:

Internal Revenue Service

Main Number 1-800-829-1040 (toll-free)

Tax-Exempt Organizations 1-877-829-5500 (toll-free)

Tax Forms & Publications 1-800-829-3676 (toll-free)

Website addresses

IRS Home Page www.irs.gov

College Station Independent School CSISD Day-to-Day Responsibilities for Parent Organizations

1.0 General Information

- 1.1 The College Station Independent School District (CSISD), encourages the participation and involvement of parents in the education of their children. One way parents can be involved is through participation in voluntary parent organizations such as BOOSTER's, other similar organizations and booster clubs.
- 1.2 The purpose of this section is to provide general, not specific and/or all-inclusive, tax information to principals and officers as it relates to BOOSTER CLUBS. It is each BOOSTER CLUB'S sole responsibility to seek competent professional tax assistance for its own tax reporting requirements. BOOSTER CLUBS should strive to remain in good standing with all federal and state agencies.
- 1.3 The responsibility for accounting, safeguarding and disbursement of funds rests with the BOOSTER CLUB officers. The principal may act in an advisory capacity only.
- 1.4 A parent organization may not represent CSISD nor bind CSISD or any of its employees to a third party with which the organization may conduct business.
- 1.5 All meetings of parent organizations must be public meetings.
- 1.6 Minutes of all BOOSTER CLUB meeting should be kept in writing in the permanent record of the organization.
- 1.7 Each parent organization shall operate under bylaws and shall submit a copy to the school principal and the CSISD Business Office.
- 1.8 Property purchased with BOOSTER CLUB funds, and donated to the school, becomes the property of the school CSISD and should be used exclusively at the school.
- 1.9 Payment from BOOSTER CLUB funds may not be made directly to any CSISD employees for services rendered to/for that organization.
- 1.10 BOOSTER CLUBS funds and/or assets that are donated to a school must be coordinated with the School's principal.
- 1.11 BOOSTER CLUBS who wish to donate funds to a school's activity funds for the benefit of the school's teachers must either write on the check that the funds are for the *General Booster Fund* or indicate that information in a cover memo included with the check.

2.0 Tax-Exempt Non-Profit Organizations

- 2.1 All BOOSTER CLUBS must obtain a unique Employer Identification Number (EIN) if they do not already have one. **BOOSTER CLUBS are not permitted to use CSISD's EIN or its Texas Sales Tax Permit Number.**
 - 2.1.1 All BOOSTER CLUBS should obtain federal tax-exempt status as a public 501(c) (3) charitable organization by applying for and obtaining a Letter of Determination from the Internal Revenue Service (IRS) that states the organization is tax-exempt.
 - 2.1.2 All BOOSTER CLUBS should also file with the State of Texas to obtain an exemption from state taxes.
 - 2.1.3 If a BOOSTER CLUB is new, the organization should apply for and receive its tax-exempt status from the IRS within one year from the date the organization is formed.
 - 2.1.4 If an organization loses its public 501(c) (3) tax-exempt status, the organization should take the necessary steps to regain the tax-exempt status as soon as they receive notification from the IRS of the loss of exemption.

3.0 Open a Bank Account

- 3.1 Once an EIN has been received, use it to open a bank account. Each BOOSTER CLUB must have a separate bank account at a facility in proximity to the school.
- 3.2 Banks cannot open an account using a Texas Sales Tax Permit Number. Do NOT use the social security number of an officer to open your bank account.
- 3.3 A basic checking account would be the best type of account to open. Instruct the bank that **no debit or credit cards** should be issued for the bank account and that no funds should be wired from the account or transferred from this account to any other account. It would be a better control if no ATM cards were issued, either. This would prevent money from being removed without the proper Board member's approval and two authorized signatures on each check.
- 3.4 Two club officers must sign each disbursement/check. Both signers must be organization members and may **not** be school district employees.
- 3.5 The organization's **Treasurer should NOT** be an authorized check signer since he/she prepares the checks and maintains the financial records.
- 3.6 Each monthly bank statement should be delivered to the organization's president, and reviewed by him/her before it is given to the Treasurer to be reconciled.
- 3.7 Each month the Treasurer should present a financial report, bank statement and bank reconciliation to the principal and the Board for their review.

4.0 Sales Tax

- 4.1 BOOSTER CLUBS all need to apply for a sales tax permit if they will be selling any taxable items as fundraisers. They also need to download a sales tax report from the Comptroller's web site and file it as instructed on the form.
- 4.2 Sales taxes are due to the State and must be collected when taxable items (i.e. wrapping paper, candles, etc.) are sold to others. Sales taxes are due regardless of whether a BOOSTER CLUB has obtained tax-exempt status from the IRS and regardless of whether sales taxes were charged as part of the sales price when the items were sold.
- 4.3 If a BOOSTER CLUB has obtained an exemption from the State for Texas sales and use taxes, it simply means that the BOOSTER CLUB can **purchase** items for the organization's exclusive use or for resale (once the items are sold, they are taxable) without paying sales taxes.
- 4.4 There is a requirement to file at least one sales tax report per calendar year with the State Comptroller's office. The State Comptroller will inform the BOOSTER CLUB after filing their first sales tax report if sales taxes must be remitted more frequently (based on taxable sales in one year). The State Comptroller's office will generally mail the required reporting forms and information to a BOOSTER CLUB after it has obtained a Sales Tax Permit.
 - 4.4.1 If a BOOSTER CLUB has a Sales Tax Permit, the State requires that a sales tax report be filed annually even if the BOOSTER CLUB **did not sell anything taxable** (zero sales tax report).
 - 4.4.2 The sales tax report can be completed online, if preferred, by going to the State Comptroller's website. Select either "File Tax Due" or "File No Tax Due" (zero tax report). <http://www.window.state.tx.us/webfile/salestax.html>
 - 4.4.3 Annual sales tax reports are due January 20th each year.
- 4.5 Booster organizations, who have applied for exemption, are exempt from sales tax when making purchases. However, when making sales, sales tax must be collected. Booster clubs may hold two "one-day, tax-free" sales or auctions per calendar year once it has obtained a sales tax exemption status from the Texas Comptroller's Office on its purchases. For the purpose of this exemption, one day is counted as 24 consecutive hours and a calendar year is the 12-month period from January through December. A fund-raiser qualifies for the "one-day, tax-free" sale/auction if all items are to be delivered on one day, however pre-orders may be accepted in advance of the delivery date without collecting tax. Each "one-day" sale/auction may not exceed 24 consecutive hours. Sales of items such as T-shirts, candles, cups, etc. are subject to sales tax when sold on days other than the two "one-day, tax-free" sale/auction days. All catalog fund-raisers are considered taxable, and cannot be considered as one of your two "one-day, tax-free" sales per calendar year. Your booster club is considered an agent of the vendor and, therefore, must collect sales tax for items sold that are taxable. If you plan to hold a catalog fund-raiser, tax must be collected for those items in the fund-raiser that are taxable. For instance, gift wrap is taxable, but cookie dough is exempt from sales tax by law. The vendor should remit the applicable sales tax to the Texas Comptroller's Office. A late fee will be imposed by the Texas Comptroller's Office to any entity failing to submit a

sales tax report even if sales tax was not collected during the period.

4.6 Taxable Status of Sales

4.6.1 School and school related organizations need not collect sales tax on the following:

- ◆ Admission tickets;
- ◆ Club memberships; and,
- ◆ Food and drinks sold at school functions;

Therefore, state and local sales taxes shall be imposed and collected on all sales for:

- ◆ Items sold by the school store (i.e. pencils, erasers, paper, etc.);
- ◆ Any type of booster club materials;
- ◆ Any other item sold as personal property (i.e. school pictures, uniforms, sweaters, etc.);
- ◆ All sales of items such as handicrafts, T-shirts, candles, cups, books, and school supplies sold by a school associated organization during a fundraising drive;
- ◆ All other personal property except for those items specifically excluded above.

4.6.2 Ticket sales for Banquets/Picnics where the food is provided from an outside business.

◆All volunteer nonprofit organizations can hold a tax-free annual banquet or other food sale provided the event is not professionally catered; is not held in a restaurant, hotel or similar place of business; is not in competition with a retailer required to collect tax; and the food is prepared, served and sold by members of the organization. The exemption does not apply to the sale or purchase of alcoholic beverages. To qualify for exemption, the food sale must:

- ◆ be an annual event;
- ◆ last no more than one week;
- ◆ be a fundraising project provided by the volunteers of the participating nonprofit organizations;
- ◆ be non-commercial in every respect (that is, the food and beverages cannot be prepared or served by a caterer or restaurant, and must be prepared and served by the participating organizations' volunteers, without pay); and
- ◆ not be held in competition with a retailer at the same event who must collect tax on food and beverage sales.

4.6.3 Sales tax should be filed in accordance with the Texas Comptroller's Office guidelines.

- 4.6.4 In order to be fair to those taking over the next year, it is recommended that BOOSTER CLUBS use one of these tax-free days during the fall semester and one in the spring semester (unless the nature of a particular BOOSTER CLUB is to have all fund-raisers in the same semester). That way next year's BOOSTER CLUB still has one tax-free day left for that calendar year. It is important to communicate this information to next year's officers.
- 4.6.5 The criteria for a one-day tax-free sale have to do with when possession of the items sold goes from the BOOSTER CLUB (which is tax exempt) to the buyer (who is not tax exempt). Orders and/or collections could be taken over an extended period before delivery is made. The delivery just has to be conducted on one 24-hour day (the tax-free day).

5.0 Responsibility Guidelines

- 5.1 The responsibility for the proper collection, disbursement, and safeguarding of all money and all other BOOSTER CLUB assets and the proper reporting of each BOOSTER CLUB'S activities to the Internal Revenue Service, State Comptroller, and to CSISD rests solely with each BOOSTER CLUB'S officers, jointly and severally, not the school district or any of its employees.
- 5.2 Principals should encourage the use of BOOSTER CLUB funds in manners that benefit all students.
- 5.3 The commingling of BOOSTER CLUB money with school money is not permitted.
- 5.4 School employees may not accept loans of funds from BOOSTER CLUBS.
- 5.5 Incoming officers should never accept financial records from the prior officers without having them audited or reviewed by a Review Committee.
- 5.6 Each BOOSTER Club should select a qualified individual or a Review Committee of members independent of the financial activities to conduct an annual review, which must be permanently maintained in the organization's records with a copy provided to the school principal and the CSISD Business Office.
- 5.7 A BOOSTER CLUB should be absolutely sure it has or will have the money necessary to meet its financial commitments. A BOOSTER CLUB does not have the authority to commit or to represent in any way that the College Station ISD is responsible for any of its obligations in the way of paying bills and/or fulfilling any other agreement.
- 5.8 BOOSTER CLUBS should seek competent tax and legal advice on their own and at their expense on an as needed basis to assist and to advise them on legal and tax matters.
- 5.9 Each BOOSTER CLUB must complete the "BOOSTER CLUB Information Sheet "annually and send to the school principal and the CSISD Business Office.
- 5.10 Each BOOSTER CLUB should publish a calendar of scheduled meetings, both Board meetings and general membership meetings, at the beginning of the school year. This will allow all members to reserve meeting dates and should increase attendance and participation. As soon as dates are selected for fundraisers and other activities, these should be added to the calendar

6.0 Officer Duties

- 6.1 Listed below are general duties of the **PRESIDENT** of a booster club.
- 6.1.1 Oversee the Review Committee or external person who will audit/review the financial record at year-end.
 - 6.1.2 Review the year-end audit and ensure that all questions are answered by the Treasurer before records are turned over to the new officers.
 - 6.1.3 Provide copies of the year-end audit or audit review to the school principal and the CSISD Business Office no later than September 1.
 - 6.1.4 Ensure a year-end financial report is prepared by the Treasurer and presented to the organization's Board, with copies to the school principal and the CSISD Business Office, no later than September 1.
 - 6.1.5 Responsible for all financial affairs of the organization and associated reporting thereof including any duties that may be delegated.
 - 6.1.6 Review monthly bank statement **before** it is given to the Treasurer to be reconciled.
 - 6.1.7 Submit all fund-raiser requests to the principal for his/her approval no later than September 1 of the fall semester and December 1 for the spring semester.
 - 6.1.8 Preside at all meetings of the Directors.
 - 6.1.9 Coordinate the work of the directors and/or committees in order that the organization's objectives may be promoted.
 - 6.1.10 Coordinate the work so that the necessary reports are timely made to the appropriate state and Federal agencies.
 - 6.1.11 Co-sign organization checks.
 - 6.1.12 Ensure annual audit, or Review Committee review, is performed.
 - 6.1.13 Perform such other duties as deemed necessary by the Directors.
- 6.2 Listed below are general duties of the VICE-PRESIDENT of a booster club.
- 6.2.1 Assume the duties of the President in the event of the President's inability to serve or resignation.
 - 6.2.2 Chair organization committees.
 - 6.2.3 Maintain a roll of all members of the organization.
 - 6.2.4 Co-sign organization checks as needed.
 - 6.2.5 Perform such other duties as deemed necessary by the Directors.

- 6.3 Listed below are general duties of the **SECRETARY** of a booster club.
- 6.3.1 Record the minutes of all meetings of the Directors, and furnish a copy of such minutes to the president within one (1) week following the meeting.
 - 6.3.1 Coordinate all correspondence relating to the organization.
 - 6.3.2 Catalogue and supervise the property of the organization.
 - 6.3.3 Publish all notices of meetings or other matters.
 - 6.3.4 Co-sign organization checks as needed.
 - 6.3.5 Perform such other duties as deemed necessary by the Directors.
- 6.4 Listed below are general duties of the **TREASURER** of a booster organization.
- 6.4.1 Maintain financial records (keep an accurate record of receipts and expenditures).
 - 6.4.2 Prepare the budget and provide financial reports to the Board monthly and at other times as requested.
 - 6.4.3 Receive all funds for the organization and promptly deposit money in a bank designated by the Directors.
 - 6.4.4 Pay out funds with proper approval and documentation in accordance with the approved budget.
 - 6.4.5 **NOT** be an authorized signer on the bank account.
 - 6.4.6 Establish good accounting procedures.
 - 6.4.7 Establish permanent file for financial related records.
 - 6.4.8 Present a year-end financial report to the Board with copies to the school principal and CSISD Business Office no later than September 1.
 - 6.4.9 Cooperate with Review Committee or person assigned to audit/review financial records at year-end.
 - 6.4.10 Turn over all financial records to the new treasurer.
 - 6.4.11 Perform such other duties as deemed necessary by the Directors.

7.0 Accounting Procedures

- 7.1 Accounting records should be limited at all times to only those persons whose duties require access.
- 7.2 There should be written instructions on the recording of accounting transactions, preferably in the organization's by-laws.
- 7.3 The BOOSTER CLUB'S books should be reconciled to the bank statement monthly.
- 7.4 There should be adequate separation of duties for as many of the following duties as possible:
 - 7.4.1 Cash receipting.
 - 7.4.2 Cash disbursements.
 - 7.4.3 Authorization of disbursements.
 - 7.4.4 Accounting records and entries.
 - 7.4.5 Bank statement reconciliation.
 - 7.4.6 Deposits.
 - 7.4.7 Petty cash fund.
 - 7.4.8 Receiving purchased goods.
- 7.5 Bank statements should be mailed to the official mailing address of the BOOSTER CLUB, not the home of a BOOSTER CLUB member. This could be the school's address or a PO Box.
 - 7.5.1 The BOOSTER CLUB president should review the bank statement **before** it is given to the Treasurer to be reconciled monthly.
- 7.6 Monthly, the Board should receive a financial report prepared by the Treasurer, plus a copy of the bank statement and the bank reconciliation. The Board should set time aside at each meeting to review these reports and ask the Treasurer to clarify things they do not understand. It is very important that this is done monthly. Missing one month's review would require a much longer meeting in the following month just to cover the financial report.
- 7.7 **CASH RECEIPTS**
 - 7.7.1 Multi-part Cash Receipts should be written for all money received. One copy should be given to the payee and another copy maintained in the Cash Receipt book. A third copy (if available) should be attached to any deposit documentation and filed with a copy of the deposit slip.

- 7.7.2 All copies of voided cash receipts should be retained in the cash receipts book.
- 7.7.3 The cashing of checks out of cash receipts or petty cash should be prohibited.
- 7.7.4 Incoming checks should be restrictively endorsed immediately upon receipt with an endorsement stamp that has the BOOSTER CLUB'S name, the bank's name, and the bank account number.
- 7.7.5 Any monies received should be deposited promptly. Money received in a school can be secured in a locking bank bag and locked in the school safe until it can be deposited. Money stored in the safe should not be held over weekends or school holidays.
- 7.7.6 Money collected should not be spent for needed items, but deposited. Checks should be written for all items purchased.
- 7.7.7 Receipt numbers and/or range of receipt numbers should be written on all deposit slips.
- 7.7.8 The bank validated deposit slip should be returned to the treasurer to verify each deposit.
- 7.7.9 All monies received for deposit should be counted and receipted in the presence of the individual turning in the money and the individual turning in the money should initial the receipt.
- 7.7.10 All checks for deposit should be listed separately on a deposit slip or supported by an adding machine tape. A minimum of two adding machine (calculator) tapes should be run to ensure accuracy. A good practice is to write the number of checks deposited on the deposit slip when the checks are too numerous to list.
- 7.7.11 Post-dated checks should never be accepted. A post-dated check is a check that has been dated after the date the check is given to the payee.
- 7.7.12 Returned checks should be redeposited immediately or otherwise promptly collected. Only accept cash or a cashier's check in repayment for a returned check.
- 7.7.13 Remember to add the bank charge for returned checks to the amount you request as repayment when a check "bounces". Ex: A check for \$10 is returned. The bank fee is \$30 for returned checks. You should request \$40 from the payee to cover this returned check.
- 7.7.14 When notified by the bank of a returned check, a phone call from the Treasurer or the President to the payer is the quickest way to notify them of their "bad check" and request their repayment. If they do not repay within one-to-two weeks, send a letter notifying them of the returned check and requesting repayment. Repeat with a sterner letter if payment is still not made in a timely manner. Remember to document all collection efforts and keep a copy of all notes and letters you mail requesting payment.

- 7.7.15 Accounting entries for each returned (hot) check should be made upon receipt of the returned check from the bank.

7.8 CASH DISBURSEMENTS

- 7.8.1 All unused checks should be kept safe and secure at all times.
- 7.8.2 Checks should never be pre-signed.
- 7.8.3 "Blank" checks should never be issued.
- 7.8.4 The sequence of check numbers should be accounted for when reconciling the bank statement to the books.
- 7.8.5 Issuing checks to the order of *Cash* should be prohibited.
- 7.8.6 Original invoices or cash register tapes should be attached to the file copies of all checks as support for the payment. If several invoices or register tapes are submitted for reimbursement, an adding machine tape should be run and attached. This total should agree to the check total.
- 7.8.7 Boards should include in their By-Laws the approvals required for check disbursements and the steps to follow when members submit receipts for reimbursement.

8.0 Fundraising

- 8.1 All fundraisers must be submitted to the school principal for approval prior to being scheduled by a booster club.
- 8.2 The school principal will set the number of fundraisers allowed by each booster club on his/her campus.
- 8.3 Fundraiser information should be submitted to the principal no later than September 1 for the fall semester and December 1 for the spring semester. Requests not submitted by these dates may be discussed with the principal, but may not receive approval for preferred dates or fundraiser items if those have already been granted to another booster club or parent organization.
- 8.4 After the fundraiser is over, completing a Financial Recap within two weeks is a helpful way to determine if the fundraiser was profitable.
- 8.5 Any items unsold after the fundraiser is completed should be inventoried and monitored by one of the officers.
- 8.6 BOOSTER Clubs that are tax-exempt organizations may not require individuals to participate in its fundraising efforts even though those individuals, or their children/students, may benefit from those efforts.
- 8.7 These organizations may not require individuals to "donate" or otherwise pay any money in lieu of participation in fundraising efforts.

- 8.8 If an individual chooses not to participate in fundraising, that individual, or their child/student, may not be denied any benefit resulting from the funds raised nor can that individual be penalized for choosing not to participate.
- 8.9 Benefits resulting from fundraising efforts may not be based on participation in fundraising efforts or on revenues raised individually. All revenues raised must be shared equally among the group regardless of individual fundraising efforts.
- 8.10 The IRS considers fundraiser proceeds that are credited to individual student accounts to be personal taxable income to the student and/or student's family.
- 8.11 One benefit of tax-exempt status for a Booster Club is that individual donations will be deductible by the donor as charitable contributions. These donations are not deductible if the funds were recorded in individual accounts.
- 8.12 Booster Clubs that use individual accounts can lose their tax-exempt status since they no longer meet the criteria set forth in IRS Publication 557 for non-profit organizations, "No part of the net earnings of the organization shall inure to the benefit of, or be distributable to, **its members, trustees, officers or other private persons ...**"

9.0 Scholarship Programs

CSISD requires booster clubs to implement scholarship programs that are consistent with all other scholarship programs. Since the purpose of the booster organization is to operate in support of their selected program, scholarships not relating to program activities should be limited in accordance with IRS guidelines. All continuing education scholarships should only represent 10% - 15% of the booster organizations operating budget. The main principle of funding by a IRS 501(c)(3) nonprofit booster club is that the booster club may not discriminate in making grants to youth or college students on the basis of their family's membership in, or funding to, the booster club, or the family's fund-raising or time put into booster club activities.

9.1 Requirements for scholarships include:

- ◆ All qualifying seniors must have the opportunity to apply for the scholarship(s).
- ◆ The campus principal and lead counselor should be consulted regarding the establishment of an application process to ensure that implemented processes are consistent with other scholarship programs on the campus.
- ◆ The application process must be clearly communicated, and the application forms must be readily available to all potential applicants and their parent and/or guardian.
- ◆ The Scholarship Review Committee must consider all qualifying applicants, but applicants identifying information must be redacted on all information shared with the committee to ensure confidentiality and impartiality throughout the review process.
- ◆ The Scholarship Review Committee must be appointed by the President of the booster club

before the first day of the academic year.

◆ The Scholarship Review Committee must be made up of an odd number (5-7) of members. Parents of students eligible for consideration for scholarships shall not be permitted to serve on the committee. To preserve the integrity of the selection process, the sponsor shall not be involved in the work of the Scholarship Review Committee.

◆ The qualification criteria for selection of scholarship winners (if any) must be communicated in writing to all potential applicants before the evaluation of applications commences and may not be changed during the scholarship award period. Any changes to the scholarship qualification criteria must be recommended by the sponsor and voted on by the booster club membership no later than the May booster club meeting for changes effective in the upcoming academic year.

◆ The application scoring, decision materials, tabulation, notes, certified recordings, and/or any other documentation used by the Scholarship Review Committee in connection with a given applicant shall be made available upon written request to that applicant. An open records request fee may be charged for this service. The Scholarship Review Committee must retain the original materials for a minimum of seven years.

◆ Scholarship applicants shall be full-time CISID senior students for a minimum of one full semester prior to the application deadline.

◆ All scholarship applications which do not have the required information will be considered incomplete and returned to the applicant.

◆ Scholarship awards may not be “need” based, but applicants who have received full scholarships from other sources may not be eligible for local scholarships.

◆ The applicant’s intended major may or may not be a factor in scholarship consideration.

◆ The applicant’s enrollment in an accredited institution (college, university, trade school, military academy, etc.) is a requirement for receiving scholarship funds. Disbursement checks including scholarship funds shall be made payable to the college/university in the student’s name. Support for disbursement of funds shall include an invoice from the college/university.

9.2 The scholarship committee may require an essay for judging purposes. Essay topics may be selected each year and given to all applicants, or the Scholarship Review Committee may allow each applicant to select their own topic upon the sponsor’s approval.

If desired, essays should be original works of the applicant and be a minimum of 250 words and a maximum of 500 words. The applicant must be willing to relinquish all rights to his/her work. If an applicant is applying for multiple scholarships, the applicant must write multiple essays – the same essay cannot be used. Essays must be submitted with the application in order for the applicant to be considered for a scholarship. The essay should account for no less than 10% and no more than 20% of the total points or weighting for the decision process.

Other areas where scholarship points may be earned should include responsibility, character, outside activities, leadership, academics, attitude, behavior, attendance, participation, service, involvement, attitude, and others at the sponsor’s discretion.

9.3 The Booster Club may or may not require interviews of applicants in the decision process. If an interview is part of the process, it must be communicated no later than the end of the first

grading period of the academic year. The applicant's parent or guardian must be permitted to be present at any interview. Interview topics must be communicated to the applicant not less than seventy-two hours prior to the interview

10.0 Raffles

10.1 By State law, schools and CSISD are not allowed to hold raffles. Booster Clubs may hold raffles if the requirements from the Texas Attorney General's office are followed.

The following information was downloaded from the Texas Attorney General's website at www.oag.state.tx.us/consumer/raffle.shtml.

10.2 The Charitable Raffle Enabling Act, effective January 1, 1990, permits "qualified organizations" to hold up to two raffles per calendar year, with certain specified restrictions.

10.3 A raffle is defined as the award of one or more prizes by chance at a single occasion among a single pool or group of persons who have paid or promised a thing of value for a ticket that represents a chance to win a prize.

10.3.1 In general, a qualified organization is:

a. A nonprofit association organized primarily for religious purposes that has been in existence in Texas for at least 10 years;

b. A nonprofit volunteer emergency medical service that does not pay its members other than nominal compensation;

c. A nonprofit volunteer fire department that operates fire-fighting equipment, provides fire-fighting services, and does not pay its members other than nominal compensation;

or

d. A nonprofit organization that has existed for at least three preceding years and is exempt from federal income tax under Section 501(c), Internal Revenue Code; does not distribute any of its income to its members, officers or governing body; does not devote a substantial part of its activities to attempting to influence legislation; and does not participate in any political campaign.

10.4 The language of the law is very technical. If your organization is considering holding a raffle you should check the statute to be sure it qualifies.

Financial Report Information & Formats

The Treasurer should prepare a written BOOSTER CLUB Financial Report at least on an annual basis and present it to the BOOSTER CLUB Board. The Financial Report should include:

- Name of school, name of BOOSTER CLUB, and the time period covered in the report.
- Actual revenues and expenditures for the reporting period. The current year report should start at the point in time where the prior year report ended. For example, if the 2012-13 report ended on July 31, 2012, then the 2013-14 report will begin as of August 1, 2013.
- It is helpful to provide a breakdown of the source of revenues and reason for expenditures.
- Name, title, and signature of person who prepared the report.
- Date the report was prepared.

The BOOSTER CLUB may want the time period used for reporting purposes to coincide with the school year and with the election of new officers.

The following examples of Financial Reports are included in this section:

- **Type 1** - This example is a cash basis financial report that includes the beginning and ending cash balances for the year. Money received is usually shown as income and money paid is usually shown as an expense.

The beginning cash balance for the current year should agree to the ending cash balance from the prior year.

Type 1 report format is the simplest to prepare.

- **Type 2** – This example is an accrual basis financial report that includes assets, liabilities, equity, income, and expenses. This report would include the cash transactions, but would also show amounts to be received or amounts to be paid in which money has not yet been exchanged, prepayments of expenses that have not yet been incurred, or receipt of amounts in which income is not yet recognized.

The retained earnings amount should agree to the total equity amount from the prior year.

- **Type 3** – These statements (Fundraising Summary Statement and an Activity Summary) were prepared by a BOOSTER Treasurer who's Board really liked the detail these statements provided about fundraisers, revenues and expenses. This type of statement helps simplify preparation of the IRS Form 990.

**XYZ BOOSTER CLUB CASH BASIS
FINANCIAL REPORT from August 1,
2012 through July 31, 2013**

Beginning Cash Balance as of August 1, 2012 \$2,235.46

INCOME

Memberships Dues	\$2,875.00
Yearbook Sales	\$5,625.00
Wrapping Paper Sales	\$19,502.25
Entertainment Book Sales	\$19,540.00
School Store Sales	<u>\$3,569.50</u>

Total Income \$51,111.75

EXPENSES

Yearbooks	\$3,589.10
Wrapping Paper	\$11,701.35
Entertainment Books	\$9,770.00
Miscellaneous Expenses	\$ 650.77
Postage	\$ 356.29
Field Trips	\$2,355.77
School Store Items	\$2,645.00
Field Day	\$684.75
Printers for Computer Lab	\$1,500.00

Total Expenses \$44,456.53

Net Income (Loss) for Current Year \$6,655.22

Ending Cash Balance as of July 31, 2013 **\$8,890.68**

Cash Basis Financial Report prepared by:

Printed Name	Title
Signature	/ / Date

**XYZ BOOSTER CLUB
BALANCE SHEET
as of July 31, 2013**

ASSETS

Citi Bank Checking Account	\$2,154.25
Citi Bank Savings Account	\$5,112.77
Accounts Receivable	<u>\$3,758.00</u>

TOTAL ASSETS **\$11,025.02**

LIABILITIES & EQUITY

Liabilities

Accounts Payable - Catalogs	\$3,524.75
Accounts Payable - Cookie Dough	\$1,500.00

Total Liabilities \$ 5,024.75

Equity

Retained Earnings	\$1,135.12
Net Income (Loss) From Current Year	<u>\$4,865.15</u>

Total Equity \$ 6,000.27

TOTAL LIABILITIES & EQUITY **\$11,025.02**

Balance Sheet and Income Statement prepared by:

Printed Name	Title
Signature	/ / Date

**XYZ BOOSTER CLUB
INCOME STATEMENT
For the Period of
August 1, 2012 through July 31, 2013**

INCOME

Catalog Sales	\$9,129.18	
Cookie Dough Sales	\$2,300.00	
School Store Income	\$ 770.00	
Membership Dues	\$2,000.00	
Interest Income	\$ <u>38.00</u>	
Total Income		\$14,237.18

EXPENSES

Catalog Sale Expense	\$3,752.68	
Cookie Dough Expense	\$1,388.13	
School Store Expenses	\$ 600.00	
Field Trips	\$ 770.00	
Postage	\$ 32.66	
Supplies	\$ 328.56	
Contribution to the School	\$ <u>2,500.00</u>	
Total Expenses		\$ <u>9,372.03</u>

Net Income (Loss) For Current Year **\$ 4,865.15**

**BOOSTER Activities
Summary**

Type 3

XYZ Elementary

Page 1 of 2

7/31/2013

	REVENUES	EXPENSES	NET PROCEEDS	NOTES
Opening Balance	\$ 21,052.00			Surplus from previous year
Fundraising				
Fall Fundraiser				Held in Sept., Ave 11+ items sold per student
Cookie Dough	\$ 81,023.00	\$(45,584.00)	\$ 35,439.00	Approx 580 students participated Also gave \$1800 donation to Red Cross
Spring Fundraiser	\$ 33,347.00	\$(16,881.00)	\$ 16,466.00	March Catalog Sale
Catherine Beich Breakfast with Santa	\$ 5,510.00	\$ (1,028.00)	\$ 4,482.00	Breakfast & Raffle of donated items grouped
Membership Drive	\$ 1,595.00		\$ 1,595.00	\$5 per family
Spaghetti Supper	\$ 1,252.00		\$ 1,252.00	\$2 per student participating
Logo Sales	\$ 1,389.00	\$ (1,064.00)	\$ 325.00	Sold @ Back to School Night
BOOSTER Sponsored Events				Not necessarily fundraising, we just try to at least break even
		\$		
Yearbook	\$ 15,053.00	(13,465.00)	\$ 1,588.00	Price books @ \$1 above est. cost
Donuts w/Dad	\$ 1,244.00	\$ (1,123.00)	\$ 121.00	Held in October
Directory	\$ 473.00	\$ (295.00)	\$ 178.00	Sold for \$1 each to cover printing
Muffins w/Mom	\$ 1,305.00	\$ (1,065.00)	\$ 240.00	Held in April
School Supply Kits	\$ 17,087.00	\$(16,318.00)	\$ 769.00	364 Sold
Other Contributions	\$ 166.00		\$ 166.00	Individual Donations, Krogers
Other Expenses		\$ (466.00)	\$ (466.00)	BOOSTER Expenses, paper, bank fees, memberships
Total	\$159,444.00	\$(97,289.00)	\$ 62,155.00	
Net Funds Available for Distribution			<u><u>\$ 83,207.00</u></u>	Opening Balance plus Net Proceeds

Charitable Distributions

AR Carnival	1,899		Moonwalks, Games & Supplies
Art Department	2,000	\$ 2,000.00	Art Supplies
Donations to School	20,500		\$20,000 for library, \$500 for counselor
Equipment	2,483	\$ 2,483.00	See Below Field
Trip Bus	1,500		For 2 guest
4th Grade Program	1,085	\$ 1,085.00	Cookies & T-Shirts
Kindergarten Fun Day	249	\$ 249.00	Moonwalk
Misc. Distributions	861	\$ 861.00	Recognition Awards Etc
Nurse's Supplies	158	\$ 158.00	Thermometer
XXHS Operation Graduations	250	\$ 250.00	Donation to CSHS
Snack Request	152	\$ 152.00	Dad's Play Day, Popcorn
Staff Christmas Lunch	1,019	\$ 1,019.00	Luncheon
Teacher Appreciation-Spring	3,618	\$ 3,618.00	Gift Bags
Teacher Appreciation-Fall	2,827	\$ 2,827.00	\$50 each teacher
Weekly Readers/Scholastic Readers	2,894	\$ 2,894.00	F1st thru 4th grade
		-	
Total Charitable Distributions	41,495		

Funds Remaining - BOOSTER Balance at 7/31/2013

41,712

Opening Balance 8/31/13

41,712

Financial Activities

Back to School Breakfast
 Nine Week Luncheons
 Dad's Play Day Volunteers
 Principal's Breakfast
 Volunteers
 Popcorn for Perfect Attendance
 Parent Night/Meet the Teacher
 Freedom Day Volunteers
 Teacher Birthdays

Detail of Equipment

1st playground sand box
 2nd dictionaries
 3rd pencil sharpeners
 4th overhead timers
 PPCD - shelves, computer desk
 Music - fabric for freedom day flag
 PE - laser printer
 paint and supplies for teacher's lounge

Review Committee Report Information & Formats

CSISD highly recommends that each BOOSTER CLUB have an organizational committee conduct an annual review of the organization's Financial Report and the related financial activity for the school year. The review committee includes officers and organization members; however, the committee should have at least one non-officer member review the information. The organizational review committee, should prepare a written Review Committee Report that communicates the results of the review to the organization. This report should be presented to the BOOSTER CLUB board, the School Principal and the CSISD Business Office on an annual basis no later than September 1 for the prior school year. *See Attachment A.*

IMPORTANT

- The Treasurer, **should not** be on the Review Committee. **Since they are *reviewees*, they cannot also be the *reviewers*.** However, they may meet with the committee to explain their records or answer questions.

A Review Committee should use the examples of Review Committee Reports included on the next few pages. However, an external party should show the results of the review in their own report format with their signature and date included. Although the examples included show space for four (4) members, the Organization may have more or fewer committee members. However, the same information must be documented for **each committee member** (*as opposed to the group as a whole*), regardless of the size of the committee.

The BOOSTER CLUB Review Committee Report examples include:

- **Option A - Review was performed with no exceptions noted;** therefore, the Financial Report appears proper and correct.
- **Option B - Review was performed with immaterial exception(s) being noted.** The Financial Report was either corrected or exceptions did not have a material effect. Except for these minor exceptions, the Financial Report appears proper and correct.
- **Option C - Review was performed with material exception(s) being noted.** Because of the material exception(s), the Financial Report is not proper and correct.

In some instances, due to material exception(s), the committee may not be able to determine whether the Financial Report is proper and correct. When this situation occurs, the committee may state that the status of the Financial Report could not be determined because of material exception(s).

The Review Committee Report along with the Financial Report should be presented to the BOOSTER CLUB Board, the School Principal and the CSISD Business Office on an annual basis.

Suggested Review Committee Guidelines

The following suggested guidelines are designed to assist the BOOSTER CLUB Review Committee in conducting a thorough review of the BOOSTER CLUB'S Financial Report and the financial activity for the applicable school year.

- Have the Treasurer prepare the written report of revenues and expenditures (Financial Report) for your BOOSTER CLUB. The report should include information for the **full applicable year**.
- The review must cover the period beginning with the reconciled cash balance from the previous written Financial Report and ending with the reconciled cash balance from the last day of the time period reported by the BOOSTER CLUB. If the BOOSTER CLUB is using a retained earnings account, then the beginning retained earnings should equal the prior year's ending retained earnings balance.
- Review the reconciled bank statements and canceled checks to determine that:
 1. Disbursements have been properly documented with an invoice or receipt,
 2. Disbursements have been properly approved,
 3. Checks have been properly signed by two authorized signers,
 4. Checks have been deposited or cashed by the payee indicated and that no information on the face of the check has been altered, and
 5. Checks have been accounted for in the proper sequence (no missing checks).
- Check addition and subtraction on cash receipts and deposits.
- Compare cash receipts and deposits to the bank statement. Note if there is a delay from the time the checks were written until they are deposited.
- Verify that receipts and disbursements were recorded to the correct account category.
- Review the Treasurer's monthly reports and check them for accuracy. Review the beginning and ending balances on reports to verify that correct ending balances were carried forward as beginning balances on subsequent reports.
- Determine that only applicable BOOSTER CLUB officers are authorized signers on the bank account(s). Former officers should not remain on the account(s) as authorized signers. **In addition, the Principal, the Principal's Secretary, or the Financial Secretary can not be an authorized signer on the BOOSTER CLUB'S bank account(s). Other CSISD employees also can not be authorized signers on the BOOSTER CLUB'S bank account(s)**
- Obtain proof that all applicable sales tax reports were submitted to the Texas State Comptroller's Office and that the related taxes were paid.
- Determine which two fund-raisers were chosen to be the "one-day, tax-free" sales/auctions, if applicable. **Only BOOSTER CLUBS that have received a tax-**

exemption from the Texas State Comptroller’s Office are allowed two (2) “one- day, tax-free” sales/auctions per calendar year.

- Review the tax-exempt status of the BOOSTER CLUB to determine that the organization has received and maintained its federal tax-exempt status as a public 501(c)(3) charitable organization or other tax-exempt status deemed by the IRS.
- Determine that a tax-exempt BOOSTER CLUB has not used individual accounts, which credit funds raised to individual students or parents.
- Verify that 1099s were issued, if applicable. In general, you may have to issue a 1099-MISC (Miscellaneous Income) for each person to whom you have paid at least \$600 in rents, services, prizes & awards, attorney fees, and other similar situations **within a calendar year.**
- ***Example:*** XYZ Elementary BOOSTER CLUB hires a consultant during the spring of the 2010-11 school year for a \$300 fee. The consultant is hired again in the fall of 2011-12 school year for a \$300 fee. The BOOSTER CLUB should issue a 1099-MISC form to this person since the total paid within the 2011 **calendar** year is \$600.

After the review is complete, prepare the applicable Review Committee Report (**only one** report type may be used per review):

Option A	No Exceptions (i.e., errors, irregularities)	Financial Report appears proper and correct
Option B	Immaterial Exceptions	Financial Report appears proper and correct, except for some immaterial exceptions
Option C	Material Exceptions	Financial Report does not appear proper and correct because of material exception(s) or Financial Report status cannot be determined because of material exception(s)

Review Committee Report Information & Formats

- If exceptions are noted during the review, consult with the organization's Treasurer and President (if necessary) to resolve the exception(s). The Treasurer is responsible for making any corrections to the records, checkbook, and Financial Report.
- If material exceptions have been noted, prepare recommendations to prevent the future occurrence of these exceptions.
- The organization's Treasurer and President are responsible for acting upon the recommendations made by the BOOSTER CLUB Review Committee.
- Retain the **original** written BOOSTER CLUB Financial Report and the **original** BOOSTER CLUB Review Committee Report on file with the Treasurer of the BOOSTER CLUB.

Review Committee Report Information & Formats

Option A
Page 1 of 1

(Proper & correct with no exceptions)

**XYZ BOOSTER CLUB REVIEW
COMMITTEE REPORT
FOR THE TIME PERIOD
August 1, 2012 through July 31, 2013**

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of August 1, 2012 through July 31, 2013, in detail. These members agree that the Financial Report and the related financial activity are proper and correct to the best of their knowledge. **No exceptions were noted during the review.**

_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date

Note: If a reviewer is a non-officer, their title (second column) should be "Member".

Review Committee Report Information & Formats

Option B
Page 1 of 1

(Proper & correct with immaterial exceptions)

**XYZ BOOSTER CLUB REVIEW
 COMMITTEE REPORT
 FOR THE TIME PERIOD
 August 1, 2012 through July 31, 2013**

The Review Committee members named below have reviewed the attached Financial Report and the related financial activity for the time period of August 1, 2012 through July 31, 2013, in detail. These members agree that the Financial Report and the related financial activity are proper and correct, except for the following exceptions:

- Check #12586 cleared the bank for \$25.20 instead of \$2.52.
- Check #12688 did not have 2 authorized signatures as required by the BOOSTER CLUB bylaws. The check only contained 1 authorized signature.
- The Supply Expense account contains six expenses that did not have the related invoices as documentation for the expense. The undocumented expenses totaled \$42.87.

Printed Name	Officer Title/Member	Signature	/ / Date
Printed Name	Officer Title/Member	Signature	/ / Date
Printed Name	Officer Title/Member	Signature	/ / Date
Printed Name	Officer Title/Member	Signature	/ / Date

Note: If a reviewer is a non-officer, their title (second column) should be "Member".

Review Committee Report Information & Formats

Option C
Page 1 of 2

(Not proper or correct due to material exceptions)

XYZ Elementary BOOSTER CLUB REVIEW COMMITTEE REPORT FOR THE TIME PERIOD August 1, 2012 through July 31, 2013

The Review Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of August 1, 2012 through July 31, 2013, in detail. These members agree that the Financial Report and the related financial activity are not proper and correct, due to the following material exceptions:

- No documentation of cost existed for the 100 new books purchased.
- Checking and savings accounts were not reconciled during the year.
- Only one (1) authorized signature appeared on all checks written instead of the two (2) required authorized signatures as indicated in the BOOSTER CLUB bylaws.
- No documentation exists for the Christmas Cards sale to determine whether the amount recorded in the Financial Report is correct.

To prevent the above exceptions from occurring in the future, the following steps should be taken:

- Documentation of all expenses, such as an invoice, should be received prior to payment of expense. Documentation should be kept with the other BOOSTER CLUB records.
- All bank accounts should be reconciled on a monthly basis.
- All checks issued should be signed by at least two authorized officers.
- For all fund-raisers, a record should be kept of the sales and the money deposited.
- All payments should be approved, per the By-laws, before checks are prepared.

(Not proper or correct due to material exceptions)

**XYZ Elementary BOOSTER CLUB REVIEW
COMMITTEE REPORT
FOR THE TIME PERIOD
August 1, 2012 through July 31, 2013**

_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	_____ / / Date

Note: If a reviewer is a non-officer, their title (second column) should be "Member".

Attachment A

Memorandum

TO: Booster Club Presidents and Treasurers

FROM: Debra Parks, Director – Financial Services

DATE: August 5, 2013

SUBJECT: Submission of Financial Information

As you are aware, CSISD's Booster Club manual requires supporting organizations to submit financial information to the CSISD Business office at the end of the school year. GASB Statement No. 39 of the Governmental Accounting Standards Board requires CSISD to obtain and review financial performance information of supporting organizations to determine whether these organizations should be considered a component unit for financial reporting purposes.

In order to meet this critical requirement, it becomes increasingly important that supporting organizations, such as yourself, submit the required financial information in a timely manner. To this end, please work with the campus bookkeeper at your affiliated high school to submit this information. They will forward it to the Business office.

Attached is a confirmation statement which should be submitted along with your financial information.

Please also share a copy of the audit completed by your audit/finance committee at the end of the year.

All financial information should be presented as of July 31 or end of the school year. Please submit this information, along with the confirmation statement to the campus bookkeeper by September 1.

Should you have any questions, please contact me at 764-5409.

**CSISD Supporting Organizations
Confirmation of Financial Information
for the 2012-2013 School Year**

Organization Name

Campus Affiliation

I hereby certify that the information attached is true and correct to the best of my knowledge. Furthermore, I understand that although supporting organizations may be considered a separate entity whereby 501(c)3 status has been declared, CSISD is requesting this financial information in order to comply with GASB Statement No. 39 of the Governmental Accounting Standards Board.

President:

Treasurer:

Signature

Date

Signature

Date