



Booster/Parent Organization Guidelines and District Requirements

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Preface

These guidelines are prepared to assist Booster/Parent Organizations in meeting District, UIL, state and federal requirements. Therefore, it includes some of the laws, regulations and policies that Booster/Parent Organizations would need to comply with. However, these guidelines **do not** include all laws, regulations or policies that Booster/Parent Organizations would be responsible for. So please consider these guidelines as a starting point for compliance and not an all-inclusive handbook.

Important

SCUCISD finance personnel are not an authority on specific accounting situations or tax-related issues concerning Booster/Parent Organizations; therefore, Booster/Parent Organizations should obtain competent independent counsel on accounting and tax issues as well as legal issues related to their circumstances. Although Booster/Parent Organizations are formed to support the school district, these organizations are considered separate and distinct entities from the school district and must be handled as such.

The following information is for informational purposes only. You should contact the appropriate accounting, tax, and legal counsel regarding your organization.

ROLE OF THE ORGANIZATION

Booster/Parent Organizations shall organize and function in a way that is consistent with the district's philosophy, objectives and adopted district Board policies, in accordance with affiliated governing bodies and UIL regulations as applicable.

ORGANIZATIONAL GUIDELINES

Each organization must develop and maintain bylaws. Copies of the organization's bylaws must be submitted to the campus Principal and SCUC ISD Finance Department within the District's Administration office upon request. See Appendix A for sample bylaws. See Appendix C for Annual Organization Information and Approval Form.

The bylaws should contain the detail of the rules of membership. The bylaws should also document the organization's fiscal year, organizational structure and the method used to elect officers.

Employees of the District should not serve in a financial capacity of a Booster/Parent Organizations. Financial capacity includes holding positions of treasurer, fund-raising chairperson, or serving as a check signer. District employees may service in other officer roles.

PRESIDENT

Typically, the president is an individual who has previously been active in the organization. The major duties include, but are not limited to, the following:

- Preside at all meetings of the organization
- Regularly meet with the designated campus representative regarding activities
- Resolve problems with the membership
- Regularly meet with the treasurer of the organization to review the organization's financial position
- Select an officer as the designee to receive bank statements through the mail. This individual shall not be a signer on the account. Upon receipt, the designee should review the bank statements for unusual activity.

- Schedule annual audit of records or request an audit if the need should arise during the year
- Perform any other specific duties as outlined in the bylaws of the organization

VICE-PRESIDENT

The vice-president acts as the president's representative in his/her absence. They must remain familiar with the organization. The major duties include, but are not limited to, the following:

- Preside at meetings in the absence or inability of the president to serve
- Perform administrative functions delegated by the president
- Perform other specific duties as outlined in the bylaws of the organization

NOTE: Larger booster organizations may find it necessary to elect several vice presidents with responsibility over differing areas. Such positions shall be clearly defined in the bylaws of the organization.

SECRETARY

The secretary is responsible for keeping accurate records of the proceedings of the Booster/Parent Organizations and reporting to the membership. The secretary must ensure the accuracy of the minutes of the meeting and have a thorough knowledge of parliamentary law and the organization's bylaws. The major duties include, but are not limited to the following:

- Report on any recommendations made by the executive board if such a governing board is defined by the bylaws
- Maintain the records of the minutes, approved bylaws and any standing committee rules, current membership and committee listing
- Record all business transacted at each meeting of the organization as well as meetings of any executive board meetings in a prescribed format
- Maintain records of attendance of each member
- Conduct and report on all correspondence on behalf of the organization
- Other specific duties as outlined in the bylaws of the organization

TREASURER

The treasurer is the authorized custodian of the funds of the organization. The treasurer receives and disburses all monies indicated in the budget and prescribed in the local bylaws or as authorized by the action of the organization. All persons authorized to handle funds of the association should be covered by a fidelity bond in an

amount based upon the organization's annual income and determined by the executive board. The major duties include, but are not limited to the following:

- Serve as a chairperson of the Budget and Finance Committee if prescribed within the bylaws of the organization
- Issue a receipt for all monies received and deposit said amounts on a weekly basis (daily if receipts issued on hand exceed \$250.00)
- Present a current financial report including bank statements, bank reconciliations and financial statements to the executive committee within thirty days of the previous month end; copies should be available for review by the general membership if requested
- File current financial reports with the campus Principal and the Finance Department as requested
- Maintain an accurate and detailed account of all monies received and disbursed
- Reconcile all bank statements monthly as received and resolve any discrepancies with the bank immediately
- File sales tax reports as required by the Comptroller's Office (Monthly, Quarterly, or Annually)
- File IRS forms in a timely manner, if required
- Submit records to audit committee appointed by the organization upon request or at the end of the year
- Other specific duties as outlined in the bylaws of the organization

Employees of the District should not hold the position of treasurer nor serve as a check signer.

NOTE: Due to the increasing requirements placed on charitable organizations by the Internal Revenue Service, it is strongly recommended that the Treasurer have an accounting background.

PARLIAMENTARIAN

The primary duty of the parliamentarian is to advise the presiding officer on parliamentary law and matters of procedure when requested. The president or presiding officer of the organization alone has the power to make decisions or rule on a point of order. Thus, after the parliamentarian has given his/her advice, the presiding officer must make the ruling to the organization – he/she is not obligated to follow the recommendation of the parliamentarian. The parliamentarian should be thoroughly familiar with the bylaws and any standing rules of the group on which he/she serves. A copy of Roberts Rules of Order Newly Revised should be maintained by the organization and referenced as needed.

ELECTION OF OFFICERS

The election of officers of the organization will occur annually within the timelines and manner prescribed by the organization bylaws. Typically, the election of officers should occur by May of each school year so that the newly elected officers may be in place for the start of the next school year. The transfer of records and audit of the accounts should be complete no later than July 1st of each year.

STANDARDS FOR MEETING

When possible, notice of all meetings of the organization should be published at the campus prior to the meeting date. The notice should clearly indicate the date and time of the meeting and the items to be discussed. In order to provide an optimum level of communication and teamwork, meetings should be held in the presence of the campus principal or other school sponsor. Business determined at the meetings without adequate campus representation may be considered null and void.

SPECIAL COMMITTEES

Special committees are created for a specific purpose and voted upon by membership. The committee is automatically dissolved as soon as that purpose is accomplished and the committee report is made. Special committees should complete their assignments within the current school year. If the objectives are not met at the end of the school year, officers will be required to reappoint member of the committee for the following year until the purpose of the committee has been achieved. Individuals who have a conflict of interest shall not be allowed to serve as members of the committee. For example, senior parents would not be included on a scholarship committee since their child is a potential recipient of the monies.

AUDIT COMMITTEE

At the end of the fiscal year, an audit of the organization's financial records should be conducted. The audit should be performed by individuals who are independent from day-to-day financial activities. Ideally, this audit should be performed by an outside firm. If you are unable to obtain services from an audit firm or CPA it is recommended that a group of three individuals from the organization form a committee. The primary objectives of the audit are to:

- Verify the accuracy of the Treasurer's financial reports
- Ensure that the organization's cash balances are accurate
- Determine that established procedures for handling funds have been followed
- Ensure that expenditures occurred in a manner consistent with the organization's bylaws

- Ensure that all revenues have been appropriately received and recorded

The audit committee should make a report to general membership upon completion of the audit. Any discrepancies noted should be brought to the attention of the president of the organization and a resolution reached prior to presentation. All officers of the organization should make records available as requested by the committee. Sample audit procedures are included in Appendix B of this document.

RULES FOR DISSOLUTION

To dissolve a booster/parent organization, a resolution shall be adopted by the organization stating that the question of such a dissolution be submitted to a vote at a special meeting of the members having voting rights. As least 30 days prior to the meeting, written or printed notice shall be given to each member entitled to vote stating that the purpose of such meeting is to consider the advisability of dissolving the organization. Campus Principals have the right to call a meeting to shut down an organization. The organization must determine the distribution and usage of treasury monies and other assets before dissolution. In order to comply with Internal Revenue Service guidelines, care should be taken to ensure that excess funds are distributed within the framework of the organization's original purpose i.e. band booster funds would remain with the musical program at that particular campus. Any other distribution of funds could void the organization's tax-exempt status, if applicable, and force it into a fully taxable situation.

SUSPECTED FRAUD/IRREGULARITIES

Suspected violation of guidelines, fraud, or misappropriation of funds must be reported to the parent organization, campus principal or designee, and district administration.

RECORD KEEPING

The secretary and treasurer of the organization shall turn records over to the incoming officers within 30 days of election. Records should be kept for a period of 5 years for audit purposes.

LIABILITY INSURANCE PROTECTION

The organization should obtain adequate insurance protection for liability and financial fraudulence. Organizations should have various safeguards set up to protect the officers, membership, and funds that are raised.

Organizations should provide adequate insurance coverage for activities conducted on school premises. The district cannot provide insurance coverage for organizations.

- A general liability policy protects not only the organization, but protects the individual member.
- An accident medical policy provides additional coverage for out-of-pocket medical expenses to help deter lawsuits and to provide coverage where the general liability policy does not.
- The bond or commercial crime policy is set up to protect money, scrip, and securities in the event they are embezzled, stolen, or fraudulently altered.
- The officer's liability policy is set up to protect the way the organization is managed and the decisions that are made by board members.
- A property policy provides protection for the personal property of the organization from such perils as theft or fire.

FEDERAL AND STATE REPORTING

(Each booster/parent organization should consult its own legal counsel, tax counsel, or the IRS with regards to the following reporting requirements.)

CERTIFICATE OF FORMATION

A non-profit organization is created by filing a Certificate of Formation with the Secretary of State in accordance with the Texas Business Organizations Code. A non-profit corporation is characterized by the fact that none of the income of the organization is distributable to members, directors or officers.

The completion of the Form 202 – Certificate of Formation Nonprofit Corporation is sufficient to meet all five required articles for incorporation in the State of Texas. This form and other are available on the Secretary of State's website at http://www.sos.state.tx.us/corp/forms_boc.shtml

Upon acceptance, a certificate of incorporation will be issued which serves as conclusive evidence of corporate existence.

The Secretary of State's Form 202 meets minimum state law requirements but does *not* include any additional statements that the IRS might require for tax-exempt status.

APPLICATION FOR EMPLOYER IDENTIFICATION NUMBER (EIN)

Each organization should file for an employer identification number on *Form SS-4, Application for Employer Identification Number*, prior to completing one of the Form 1023. It is possible to apply for an employer identification number online at www.irs.gov. The employer identification number will be issued immediately by the Internal Revenue Service during the process. Form SS-4 may also be completed by hand and faxed to

IRS at the appropriate state fax number. If a return fax number is provided, a response will be faxed back with the EIN within four business days. Completed Forms SS-4 may also be mailed to IRS and carry a four week processing time. Fax numbers and mailing addresses for the Form SS-4 are also available online at www.irs.gov.

APPLICATION FOR FEDERAL TAX EXEMPT STATUS

Formation of a non-profit corporation does not necessarily entitle the organization to exemption from federal taxes. In order to be exempt from federal taxes, the organization must apply for this status on *Form 1023, Application for Recognition of Exemption Under Section 501(c)(3)* of the Internal Revenue Code (if its projected gross receipts will exceed \$50,000 during its first three years). *Form 1023-EZ, Streamlined Application for Recognition of Exemption Under Section 501(c)(3)* of the Internal Revenue Code can be utilized if gross receipts are not expected to exceed \$50,000 during any of the entity's first three years. General instructions on the rules and procedures can be found in *IRS Publication 557 – How to Apply for Recognition of Exemption for an Organization*. These documents, as well as an interactive version of Form 1023, are available on the IRS website.

The application must be accompanied by the appropriate user fee payment, currently \$400 or \$850 for Form 1023, as determined by average annual gross receipts of the organization, or as of July 1, 2016, \$275 for Form 1023-EZ. User fees are subject to change and can be confirmed via the IRS website at www.irs.gov by typing "User Fee" in the keyword box, or by calling IRS Customer Account Services at 1-877-829-5500.

Upon acceptance of the organization's exempt status by the IRS, a determination letter will be received as evidence of approval. The letter should be kept in a safe, permanent place as it will be used time and again to prove the organizations' exempt status.

APPLICATION FOR STATE TAX EXEMPT STATUS

The organization must apply for an exemption from sales and franchise tax from the Texas State Comptroller's Office by completing Form AP-204-2, *Texas Application for Exemption – Federal and All Others*, and including a copy of the IRS letter granting tax exemption. Further information may be obtained on the Comptroller's website at <https://comptroller.texas.gov/taxes/publications/96-1045.php>

The revocation, withdrawal or loss of the federal exemption automatically ends the state tax exemption. Questions can be directed to:

Texas Comptroller of Public Accounts
Exempt Organizations Section
(800) 252-5555
exempt.orgs@cpa.state.tx.us

ANNUAL FILING REQUIREMENTS

Every organization exempt from federal income tax under section 501(c) is required to file an annual Form 990 series return. If the organization does not have gross receipts during a year totaling more than \$50,000, the organization is only required to electronically submit Form 990-N, also known as an *e-Postcard*. Instructions for filing the *e-Postcard* can be found at <https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard>. If the organization has gross income between \$50,000 and \$200,000 **AND** total assets < \$500,000, *Form 990-EZ, Short Form Return of Organization Exempt from Income Tax*, may be used. If the organization's gross income is \$200,000 or more **OR** its total assets are \$500,000 or more, the full *Form 990, Return of Organization Exempt from Income Tax*, must be filed. The failure to file a Form 990 series return for three consecutive years will result in the revocation of the organization's tax exempt status by the IRS. The organization may re-apply for exempt status by completing a new Form 1023 application and submitting the required user fee.

Even though the organizations may be recognized as tax exempt, they may be liable for tax on the portion of income deemed to be unrelated business income ("UBI"). UBI is income from a trade or business activity, regularly carried on that is not substantially related to the charitable, education or other purposes that are the basis for the organization's exemption. An organization that has \$1000 or more gross income from UBI must file Form 990-T, *Exempt Organization Business Income Tax Return*. This form is filed in addition to Form 990, 990-N or 990EZ and is required regardless of the level of the income received.

1099 REQUIREMENTS

Internal Revenue Service guidelines require that all payments for services in excess of \$600.00 made to an individual or unincorporated entity by an organization be reported on a form 1099 on an annual basis. The organization should secure an IRS Form W9 from the provider at the time of service to ensure that the organization has an accurate record of the taxpayer identification number. The organization should then issue a form 1099 to all qualifying vendors performed in the calendar year by January 31.

FINANCIAL BEST PRACTICES INFORMATION

GENERAL

There are a wide variety of computerized accounting packages available to assist the organization in accurately accounting for financial transactions. Each organization should adopt an accounting package or computerized accounting method which will meet the needs of the organization for several years.

At a minimum, the organization's membership should be provided with a financial statement and bank reconciliation at each meeting. The financial statement should provide a comparison of budgeted versus actual expenditures and receipts. Cash receipts and disbursement reports should be available for review when needed or at the annual audit.

MAILING ADDRESS

The organization should establish its own mailing address. Since the organization is a separate entity from the district/campus, a separate mailing address should be used instead of the district or campus address. It is also better not to use an officer's personal mailing address, as officers change frequently. An official mailing address is required on several state and federal forms when creating the organization's identity. If a post office box is used, the address and box keys can be easily handed over to the new officers at the beginning of each new year.

FINANCIAL REPORTING

Financial reports should include both an accounting of Gross Income and Total Expenses versus any net reporting. Since IRS 990 filing requirements are based on Gross Income, it would be prudent to produce reports that provide this information, so that it can be easily traced back to the 990 filing if necessary.

CASH RECEIPT PROCEDURES

All cash collections received by the organization for fees, dues, fund raising etc. should be deposited upon receipt. All money should be deposited prior to holiday or weekends. All funds should be supported by some type of record documenting the source and amount of funds. Such documentation shall be readily available for audit purposes.

BANK RECONCILIATION

Booster/Parent organizations should establish a checking account at a local bank or credit union. Checks should require the signature and authorization of two club officers.

Upon receipt of the monthly bank statement, the balance indicated on the statement should be reconciled to the bank account balance in the general ledger as of the same day of the month. The reconciliation should be completed within 30 days of the date of the bank statement to ensure that possible inaccurate transactions are identified and communicated to the financial institution for correction.

Items needed for reconciliation:

- Bank Reconciliation Form
- Prior Month's Bank Reconciliation
- Bank Statement
- Check Register and /or Cash Disbursements Journal
- Cash Receipts Journal
- General Leger

A non-signer review of the bank statement should take place prior to the reconciliation process. Items to look for include:

- Checks appearing in non-sequential order
- Checks made out to "cash"
- Checks made payable to non-approved vendors
- Checks written for non-approved expenses
- Missing check numbers
- ATM/Debit/Electronic transfers
- Checks made out to an individual for an even dollar/cent amount (i.e. \$20.00)

DISBURSEMENT OF FUNDS

At the outset of the school year, a budget of anticipated expenditures should have been developed. Prior to a disbursement, the request to expend the funds should be compared with the budgeted expenditures. Disbursements outside the scope of the budget or line items that exceed the approved budget should require vote by the general membership. Direct payments or gifts to District employees should not be permitted uses of booster/parent organization funds, nor is the purchase of alcoholic beverages.

Booster/parent organizations should not contribute funds in effort to increase the personnel allocations and/or stipends of a particular program.

A disbursement voucher should be completed for all expenditures regardless of the amount. The appropriate supporting documentation (invoices, receipts) should then be attached to the disbursement form and filed in check number order. At no time should a check be issued without the appropriate supporting documentation.

To ensure compliance with UIL guidelines governing athletic activities, all disbursements relating to athletic booster club activity should require the approval of the campus athletic coordinator.

FUNDRAISING

See Administrative Regulations CFD on the district website for fundraising guidelines. All fundraising activities by the Booster/Parent Organizations must be approved in advance by the Campus Principal. See Appendix D for Fundraiser Approval Form.

INDIVIDUAL ACCOUNTS

In the past, it has been customary for booster/parent organizations to credit “individual” student accounts based on a parent’s participation in fundraising events. The credit was based on proportionate share of what they “earned” during the fundraiser.

Unfortunately, however, this practice creates a situation that could jeopardize an organization’s tax-exempt status. In order to prevent such occurrences, funds raised by parents through booster/parent organization activities should be used to benefit the organization as a whole.

RAFFLES

Raffles are a form of gambling, often engaged in as fundraising, governed by The Charitable Raffle Enabling Act and are restricted as to the number, frequency, types of prizes offered, ticket disclosures, and organizations that may hold a raffle. The guidelines at <https://www.texasattorneygeneral.gov/divisions/financial-litigation/charitable-trusts/charitable-raffles-and-casinopoker-nights> should be reviewed before a raffle is considered as a fundraiser.

A school district itself is not a “qualified nonprofit organization” for purposes of the Charitable Raffle Enabling Act, and therefore cannot hold raffles.

SALES TAX

Booster/parent organizations may be exempt from state sales tax when making purchases, if the organization has been granted a state sales tax exemption. A booster/parent organization must file for their own sales tax exemption with the Texas Comptroller of Public Accounts. See the Federal and State Reporting section in this manual.

When making sales, sales tax must be collected. The booster/parent organization should apply for their own sales permit number and may not use another organization’s or the district’s sales permit number. For information on sales tax permits see <https://comptroller.texas.gov/taxes/sales/>

For purposes of sales tax, a calendar year is considered the reporting year (January 1-December 31.)

TAXABLE STATUS OF PURCHASES

- A booster/parent organization must provide the vendor with a valid signed exemption certificate when claiming state sales tax exempt status. Exemption certificates do not require tax identification numbers to be valid nor is the vendor required by law to honor the exemption.
- The District's exemption status may not be utilized by a parent, booster, patron or alumni organization to secure exemption from sales and excise taxes. Booster/Parent organizations must apply for their own exemption.
- Items which become personal property of the student (cheerleader uniforms, band t-shirts, etc.) even though connected with a school or organization are not exempt from tax. Items which are purchased by the organization through budgeted funds as an award to a student are not taxable.
- Meals purchased by the organization for athletic teams, bands etc on authorized school trips are exempt from sales tax if the organization contracts for the meals. The booster/parent organization must pay for the meals with a booster/parent organization check and provide an exemption certificate.

COLLECTION AND REMITTANCE OF SALES TAX

The booster/parent organization should collect sales tax on all taxable sales.

When imposing sales tax, the organization has the option of:

Example only (use appropriate sales tax amount for your area):

- Adding the tax to the item's selling price – thus, if the selling price of an item were \$2.00 and the tax rate were 8.25%, the organization would collect \$2.17 ($\2.00×1.0825) from the buyer for each item sold.
- Absorbing the tax in the item's selling price – thus if the item sold for \$2.00 including tax, the organization would retain \$1.85 and remit \$0.15 for sales tax. If this method is used, divide the total sales by 1.0825 (assuming a tax rate of 8.25%) to find the taxable sales. To determine the sales tax amount, subtract the taxable sales from the gross sales.

TAXABLE STATUS OF SALES

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

- Admission tickets
- Club memberships
- Food and drinks sold at school functions
- Sales during two tax-free sales of otherwise taxable merchandise per calendar year, per school, per organization, if applicable.

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/parent organization materials
- Any other item sold as personal property (i.e. school pictures, uniforms, t-shirts)
- All sales items such as candles, cups, books and school supplies sold by a school associated organization during a fundraising drive
- All other personal property except for those specifically excluded above

Sales tax should be filed in accordance with the Comptroller's guideline. For questions regarding sales tax, call the Texas Comptroller of Public Accounts.

DONATIONS

Students engaged in UIL activities shall not be offered gifts except as provided by *UIL Constitution and Contest Rules*. Donations to the District shall become the sole property of the District and not of the accepting organization. Donations should be earmarked for a specific purpose as indicated by the donating organization. However, the Board of Trustees is ultimately entitled to accept, allocate or reject a gift or donation.

In accordance with Regulation CDC Local, gifts to the District must meet the following criteria:

To be considered for acceptance, the gifts or bequests shall:

1. Have a purpose consistent with District purposes.
2. Place no restrictions on the school program.
3. Not require the endorsement of a business product.
4. Not conflict with policies or actions of the Board or public law.
5. Not require extensive District maintenance.

To be deductible as a charitable contribution, a payment to charity must be a gift. A gift to charity is a payment of money or transfer of property without receipt of adequate consideration and with no donative intent. Generally Accepted Accounting Principles require that the asset be recorded at its fair market value at the time of the donation. The District will make no determination of value for IRS purposes.

All donations to the District must be reported to and accepted by the Board of Trustees.

MISCELLANEOUS

The following guidelines apply to all parent/booster organizations. If a question should arise which cannot be resolved at the campus level, you may call the Finance Department for clarification.

- Failure to follow policies and procedures of the District may result in refusal by the campus principal to allow related activities on the campus.
- Any action taken at the meeting may be subject to review and revocation of the sponsor or principal
- The regular school program and extra and co-curricular activities of the school and programs sanctioned by TEA, UIL and district affiliated organizations will take precedence over booster/parent activities
- Parents and booster club members are expected to follow the same standards of conduct as district employees when chaperoning, sponsoring or attending student activities, including rules in the campus handbook
- Each individual student's or groups of students' participation will be determined by the sponsor and the principal and not by the organization or any member(s). Participation is considered to be a privilege and not a right, and will be based on a proven record of good conduct and dependability. Lack of such demonstrated behavior on the part of anyone will be grounds for disapproval for participation and travel
- There will not be student activities, parties, meetings, travel or other gathering in the name of the school organization or booster/parent organization unless prior permission has been received from the sponsor and the principal or the sponsor is present. All school sanctioned activities will be under the auspices of the school and district
- School employee and student planning and preparation for activities supported by the booster/parent organization will occur outside the school day or as approved by the principal
- Participation in any activity or travel associated with the booster/parent activities is a privilege and not a right for all involved. All student and

employees travel will be under the auspices of the school and all participants will be approved by the sponsor and principal

- No cash will be given to any school employee or student to use at his or her discretion
- The purchase or consumption of alcoholic beverages while on school property or in the presence of students, on or off school property, is specifically prohibited

DISTRICT REQUIREMENTS

FINANCIAL REPORTING TO DISTRICT

GASB Statement No. 39 of the Governmental Accounting Standards Board requires the District to obtain and review financial performance information of supporting organizations to determine whether these organizations should be considered a component unit. To this end, Booster/Parent Organizations are required to submit to the Finance Department financial information of the organization by October 5th of each school year. See Appendix E for Confirmation of Financial Information forms.

ADDITIONAL REPORTING REQUIREMENTS

Appendix C: Annual Organization Information and Approval Form

Appendix D: Fundraiser Approval Form

Appendix E: Confirmation of Financial Information

Appendix F: Booster/Parent Organization Guidelines Receipt

Appendix G: List of District Required Document and Forms

REFERENCES

Web Sites

SCUC Web Site	http://www.scuc.txed.net/
Internal Revenue Service	http://www.irs.gov
UIL	http://www.uiltexas.org/policy
State Comptroller	https://comptroller.texas.gov/
Secretary of State	http://www.sos.state.tx.us/
Secretary of State to search business documents filed	http://www.sos.state.tx.us/corp/sosda/index.shtml

Phone Numbers

State Comptroller	512.463.4000
Secretary of State	512.463.5600
UIL	512.471.5883
SCUC Finance Dept	210.945.6213

Board Policy

Grants from Private Sources	CDC
Student Activities	FM
Contests and Competition	FMF
Student Fundraising	FJ

Administrative Regulations

Accounting – Activity Funds Management	CFD
Relations with Parents Organizations	GE

APPENDIX A

Sample Bylaws

The following sample bylaws are for informational purposes only. You should contact the appropriate accounting, tax, and legal counsel regarding your organization.

CONSTITUTION AND BYLAWS

ABC BOOSTER CLUB

ARTICLE I Name of Organization

The name of the organization shall be the ABC Booster Club.

ARTICLE II Purpose and Dissolution

Section 1. The purpose of the organization shall be to _____.

Section 2. The organization shall operate in accordance with established policies, administrative regulations, rules and other requirements of ABC Independent School District, the University Interscholastic League, the bylaws of the ABC Booster Club, Texas Education Agency and all relevant Federal and State laws.

Section 3: The ABC Booster Club is established exclusively for charitable purposes, including for such purposes the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended. No part of the net earnings of the organization shall inure to the benefit of or be distributed to its members, directors, trustees, officers, or other private persons except that the organization shall be able and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 1 hereof. No substantial part of activities of the organization shall be the carrying on of propaganda or other attempts to influence legislation and the organization shall not take part in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office notwithstanding any other provision of these Bylaws. The organization shall not carry on any activities not permitted to be carried on (a) by an organization exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code of 1954, as amended (or the corresponding provision of any future United States Internal Revenue law); or (b) by organization contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954, as amended (or the corresponding provision of any future United States Internal Revenue law).

Section 4. Upon dissolution of the organization, the ABC Booster Club Executive Board shall, after paying or making provisions for payment of all liabilities, dispose of all of the assets of the organization in such manner or to such other organizations organized or operated exclusively for charitable purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3)



of the Internal Revenue Code of 1954, as amended, as the Executive Board shall determine.

ARTICLE III Membership and Voting

Section 1. Membership of the ABC Booster Club shall be comprised of the officers of the organization and _____. Each member shall be entitled to one vote.

Section 2. The Superintendent of ABC ISD or his/her designee may serve as an advisory member of the ABC Booster Club but will have no voting rights.

ARTICLE IV Officers

The officers shall consist of President, Secretary, Treasurer, Concession Chair, Membership/Scholarship Chair. Duties of the officers shall include, but are not limited to, the following:

The **President** along with the Secretary shall have custody of the ABC Booster Club Constitution and Bylaws of the organization. The President will automatically be an ex officio member of any and all committees. The President is responsible for ABC Booster Club compliance to all UIL and IRS rules.

The **Secretary** shall keep an accurate record of all regular and special meetings, take care of the correspondence, shall have custody of the ABC Booster Club Constitution and Bylaws of the organization along with the President and shall attend to any duty prescribed by the President. In the event the President position is vacated during his or her term, the Secretary would assume the duties until such time a new President is nominated and elected.

The **Treasurer** shall receive all funds and disburse those funds as approved by the ABC Booster Club Executive Board. The Treasurer shall keep an accurate account of all funds received and disbursed and submit a financial report at all scheduled meetings as well as financial reports to the Superintendent of ABC ISD or his/her designee. The Treasurer shall oversee the collection and deposition of all money by means of receipt; keep complete ledger accounts of the finances, including data logging and properly classifying expenditures. The Treasurer shall be responsible for disbursement of funds and be custodian of the books, vouchers, and financial records of the organization. The Treasurer is responsible for ensuring ABC Booster Club compliance to Section 501(c) (3) of the Internal Revenue Code of 1954 as amended.

The Treasurer, if deemed appropriate, has the right to place minimum accounting and other standards on the individual booster clubs in order for the Booster Club to



retain its 501(c) 3 status. In addition, the Treasurer has the responsibility to report any potential violations with laws or regulations he/she becomes aware of at the individual booster club level to the ABC Booster Club President.

The **Membership/Scholarship Chairperson** shall:

- a. Maintain a member listing of members of the ABC Booster Club.
- b. Provide consolidated member lists at meetings for voting purposes.
- c. Keep the scholarship packet updated and provide copies to the Superintendent of ABC ISD or his/her designee by February 1st
- d. Appoint independent scholarship committee (3 business leaders from the community).
- e. Provide updated eligible list of seniors by April 1 to the Superintendent of ABC ISD or his/her designee so that only eligible seniors are submitted to scholarship committee.
- f. Make copies and distribute to scholarship committee
- g. Communicate with committee and once determinations are made, arrange for announcement of scholarships. Work with president on announcement to award winners.

ARTICLE V Executive Board

Section 1. The affairs of the organization shall be conducted by the ABC Booster Club Executive Board. The Executive Board shall consist of the Officers of the ABC Booster Club.

Section 2. A quorum of the ABC Booster Club Executive Board shall be defined as at least three (3) officers.

ARTICLE VI Elections

Section 1. The Nominating Committee shall consist of the Executive Committee of the ABC Booster Club.

Section 2. Officers shall be eligible for re-election to the same position not to exceed two (2) consecutive terms. A term runs concurrent with the fiscal year for the organization

Section 3. Inability by any officer to perform may result in removal by a majority vote of the ABC Booster Club Executive Board.

Section 4. Any vacancy in an office occurring during the term of office may be filled by appointment of the ABC Booster Club Executive Board.



ARTICLE VII Fiscal Year and Meetings

Section 1. The fiscal year of the organization shall begin June 1 and shall end on May 31 of the following year.

Section 2. Meetings of the ABC Booster Club shall occur a minimum of four (4) times each year or at such other times as may be established by the ABC Booster Club Executive Board. Special meetings shall be held at the call of the President or at the call of any two other officers.

Section 3. All questions of parliamentary procedure, not provided for in the forgoing Bylaws shall be decided by reference to Robert's Rules of Order.

ARTICLE VIII Committees

Section 1. Committee chairs shall be appointed by the President with the consent of the officers. All committees shall be composed of a chairperson and a minimum of 2 other members.

Section 2. The Membership/Scholarship Chairperson shall be responsible for appointing a scholarship committee for the review of all scholarship applications and the awarding of those scholarships. No member of the Scholarship Committee may be the parent, step-parent, family member or guardian of a graduating senior. (Note: The number and amount of scholarships to be awarded each year will be determined in consultation with the Advisory Members in light of available funds)

Section 3. The By-laws Committee shall be responsible for maintaining the bylaws of the ABC Booster Club as prescribed by Article X.

Section 4. The Nominating Committee shall consist of the officers of the ABC Booster Club and be responsible for coordination of the annual officer election process established pursuant to Article VI of these bylaws.

Section 5. Other committees, either standing or temporary may be established by the Executive Board.

ARTICLE IX Income and Expenditures

Section 1. All funds donated by the ABC Booster Club to the ABC ISD shall be contributed in accordance with established rules of the University Interscholastic League.



Section 2. Funds required to pay sales taxes and ABC Booster Club assessments shall be provided by the ABC Booster Club on the schedule determined by the Booster Club.

Section 3. Funds for scholarships shall be gathered by the ABC Booster Club Treasurer.

Section 4. ABC Booster Club will stock and maintain concession stands located at _____. Individual sport clubs will be assigned dates for working the concession stand for a percentage of the gross sales (Example, Volleyball sport club will work during all Volleyball home games). The percentage will be set by the Executive board each year. Income from the concession stand will be used for scholarships or to meet the needs of the athletic department. Such will be determined by the ABC Booster Club Executive Board under the advisement of the ABC ISD Athletic Coordinator.

Section 5. If applicable, an annual budget should be presented to the ABC Booster Club Executive Board for approval.

Section 6. The ABC Booster Club Treasurer is responsible for maintaining an accurate account of all funds received and disbursed by the ABC Booster Club. On a quarterly (or monthly, if applicable) basis, the ABC Booster Club Treasurer will submit to the Superintendent of ABC ISD or his/her designee a copy of its financial statements, sales tax worksheet and payment for any sales tax owed.

ARTICLE X Adoption & Amendments

Section 1. The foregoing Constitution and Bylaws were duly adopted on _____ by the members of the ABC Booster Club.

Section 2. Proposed amendments to these Bylaws may be submitted by any members to the Chair of the Bylaws Committee. If approved by the Bylaws Committee, the proposal shall be submitted to the ABC Booster Club Executive Board.

Section 3. Any proposed amendment submitted to the ABC Booster Club Executive Board shall be considered at the next regular, or called meeting of the ABC Booster Club. The amendment shall be adopted if it receives a majority vote of the Executive Board in attendance at the meeting.

We the undersigned officers of the Board, do hereby certify that the foregoing is the true and legal bylaws of the ABC Booster Club, and that the same were approved by the membership on _____.

President



APPENDIX B

Sample Audit Procedures

The following sample audit procedures are for informational purposes only and should be considered as a sample only.



APPENDIX B

Sample Audit Procedures

Audit Procedures:

Bank Reconciliations

1. Trace ending balances on the reconciliations to bank statements, outstanding check lists and other reconciling items.
2. Verify that bank reconciliations were completed within 30 days of bank statement ending date.
3. Ensure that any outstanding or reconciling items on the reconciliations were cleared the following month.
4. Verify that the balance in the bank account (at beginning of school year) plus total deposits per check register, minus total disbursements per check register, balances to ending bank account balance (at end of school year).

Bank Statements

5. Determine whether a procedure is in place for a club member, other than those that have check signing ability, to receive bank statements by mail and review for reasonableness.
6. Determine whether any cash corrections were identified on bank statements. Ensure that reasonable explanations are available.
7. Compare the number of cleared checks included in the bank statement with the number that is noted on the bank statement to ensure agreement.
8. Ensure that cleared checks contain signatures of individuals authorized to sign checks. Ideally, bank accounts should be established to require two signatures.

Receipts

9. From the check register or other accounting records, schedule each deposit (use of spreadsheets is helpful). If volume is significant, consider selecting only a representative sample.
10. Trace deposits to collection documentation and prepared cash receipts for agreement.
11. Trace deposits to bank statements to ensure agreement.

12. Ensure that receipts are presented for deposit in a timely manner by reviewing the dates of prepared cash receipts with the date of the deposit on the bank statement.

Disbursements

13. From the check register or other accounting records, schedule each check, withdrawal, or other debit. If volume is significant, consider selecting only a representative sample.
14. Trace checks to supporting documentation such as invoices, receipts, approved expenses related to fundraisers, or other reasonable explanations.
15. Review the canceled check to ensure agreement of payee name, endorsement, and check amount.
16. Trace disbursements to budget approved by the membership or meeting minutes.
17. For bank withdrawals for the purpose of establishing a change fund for an event, confirm that the change fund was later re-deposited.

Fundraisers

18. Evaluate each fundraiser individually by calculating the value of the items available for sale or number of tickets sold, and comparing to deposits and remaining inventory, if any to ensure agreement.
19. Determine whether fundraiser applications were prepared and submitted to the campus principal.

Miscellaneous

20. Inventory remaining check stock to confirm that all checks are present and sequential. Ensure that the check number for the last check issued and first check available in check stock are sequential.
21. Confirm that check stock is retained in a secure place when not in use.
22. Determine whether any checks were voided during the course of the year. Ensure that any voided checks are retained in the records, but have been sufficiently modified to eliminate the possibility of clearing the bank (i.e. signature portion has been cut out of the check and VOID has been written across check).
23. Ensure that sales tax reports were prepared and filed timely.
24. If IRS990 form was filed, review for reasonableness.

APPENDIX C - G
District Required Forms



APPENDIX C
Annual Organization Information
and Approval Form

For School Year: _____

Name of Organization: _____

Associated Campus: _____

Purpose of Organization: _____

Student Group to be Supported: _____

Organizations Tax ID # _____

Organizations Fiscal Year End: _____

President's Name _____

Address _____

Email _____

Phone # _____

Is this organization a 501(c)(3) organization as determined by the IRS? Yes or No

****If 501(c)(3), please attach a copy of the your IRS Determination Letter****

If a new organization, please sign below for approval:

Principal Name: _____

Principal Signature: _____



APPENDIX D

Fundraiser Approval Form

Organization

Officer's Name (printed)

Date Submitted

School Year

Describe the fund raising project that your organization would like to conduct during the school year.

1. Item to be sold or activity _____
2. Name & Address of Vendor _____
3. Date to conduct Project _____
4. Length of Project _____
5. Expected Profit _____
6. Purpose or rational of raising funds _____

Signature of Officer

_____ Approval _____ Disapproval

Reason for disapproval _____

Principal Signature



APPENDIX E

Confirmation of Financial Information for

_____ - _____ 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, the District is requesting this financial information in order to comply with GASB Statement No. 39 of the Governmental Accounting Standards Board.

President

Date

Treasurer

Date

APPENDIX E (cont.)

Financial information should be presented as of June 30 for August 1 submission.

Balance Sheet Information

\$ _____ Current Assets

\$ _____ Current Liabilities

Income Statement Information (Profit/Loss Statement)

Summary of Revenues	
Fundraising Activities	\$ _____
Breakdown of types of fundraisers	\$ _____
Concession sales	\$ _____
Membership Dues	\$ _____
Donations	\$ _____
Other Income	\$ _____

TOTAL REVENUE	\$ _____
Summary of Expenditures	
Fundraising products/expenses	\$ _____
Banquet expenditures	\$ _____
Other Expenses	\$ _____

TOTAL EXPENDITURES	\$ _____

This chart is provides an example only. It is provided to give you an idea about the expectations of the level of detail necessary in reporting.

Definitions Legend:

Current Assets – Cash Short Term Investments, or other assets easily convertible to cash

Current Liabilities – Amounts owed to other organizations, individuals, or vendors

Revenues – Incoming funds from sales of products/services, donations, and income from other sources

Expenditures – Outgoing funds to pay for fundraising products, events, donations to school or other expenses



APPENDIX F
Booster/Parent Organization
Guidelines Receipt

Name _____

Organization's Name _____

I hereby acknowledge receipt of the Schertz-Cibolo-Universal City ISD
Booster/Parent Organization Guidelines Manual. I agree to read the
handbook and abide by the standards, policies, and procedures defined or
referenced in this document.

Signature

Date



APPENDIX G

List of District Required Documents and Forms

Please submit the following information to the campus principal by **October 5th of each school year** as noted:

1. Annual Organization Information Form (Appendix C).
2. A copy of the organization's current bylaws.
3. Confirmation of Financial Information/Financial Statements as of June 30th (Appendix E).
4. Signed acknowledgement of review of Booster/Parent Organization Guidelines by Organization's President (Appendix F).
5. A copy of the organization's most recent tax return (990N, 990EZ, 990).
6. A copy of the organization's current liability insurance policy

Please submit the following information to the campus principal **by date noted**:

7. Fundraising Approval Form at least 30 days prior to fundraiser (Appendix D).

Please submit the following one time information by October 5th **if you have not already done so** in prior years and nothing has changed:

8. A copy of the organization's IRS determination letter. Or if not currently a 501(c)(3), a copy of the organization's 501(c)(3) filed application.
9. A copy of the organization's Letter of Sale Tax Exemption from the Texas Comptroller, if applicable.
10. A copy of the organization's Sales Tax Permit.