

FARMERSVILLE ISD



Booster Clubs and School Support Organizations Guidelines

FORWARD

This manual is designed to assist Booster Club officers, School Support Organizations and members by providing organizational and financial guidance. Only approved organizations, operating under these guidelines and Farmersville Independent School District (“FISD”) policies and procedures, shall be allowed to use the school name in support of its programs. Facility use will be determined in accordance with FISD policies and procedures. Specific questions regarding the organization’s activity should be addressed to the campus principal.

The Farmersville Independent School District is an equal opportunity employer and provides educational programs and services which do not discriminate on the basis of age, national origin, race, sex, color, religion, disability or against any other legally protected group.

ORGANIZATION

ROLE OF THE ORGANIZATION

Booster clubs and school support organizations shall organize and function in a way that is consistent with the District's philosophy and objectives, with adopted Board policies, and in accordance with UIL regulations as applicable.

Each booster organization and school support organization must maintain bylaws that are jointly reviewed on an annual basis by the campus principal and the organization's officers. The rules of membership shall be clearly stated in the bylaws. Only active members in good standing shall be permitted to hold office or vote upon any matter of business of the organization. The bylaws must address the organization's fiscal year, structure and the method to be used to elect officers. At a minimum, the booster organization and school support organization shall elect the following officers on an annual basis.

PRESIDENT

Typically, the president of a booster organization and school support organization is a parent/guardian who has 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 the organization's activities;
- Resolve problems in the membership;
- Regularly meet with the treasurer of the organization to review the organization's financial position;
- 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 and school support 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/TREASURER

The secretary is responsible for keeping accurate records of the proceedings of the association and reporting to the membership. The secretary must ensure the accuracy of the minutes of the meetings, 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 of the booster organization and school support organization 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 association 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.

The treasurer functions as the authorized custodian of the funds of the association. The treasurer receives and disburses all monies indicated in the budget and prescribed in the local bylaws or as authorized by action of the association. It is recommended that 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 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 on hand exceed \$50.00);
- Present a current financial report to the executive committee and general membership;
- File current financial reports with the campus principal on a monthly basis;
- 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 annual IRS form 990 in a timely manner;
- 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.
- Submit GASB 39 information form to the District's Finance Department annually by August 1 (see appendix)

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.

SPECIAL COMMITTEES

Special committees are created for a specific purpose and voted upon by the membership. The committee is automatically dissolved as soon as that purpose is accomplished and the committee report is made. The special committee may not be able to complete its assignment during a school year and members may function into the ensuing 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.

AUDIT COMMITTEE

At the end of the fiscal year, an audit of the booster club's and school support organization's financial records should be conducted. The audit should be performed by someone who is independent from the organization's day-to-day financial activities. Ideally, this audit should be performed by a group of three individuals; however, if the membership size does not allow, the audit may be performed by two individuals. The primary objectives of the audit are to:

- Verify the accuracy of the Treasurer's financial reports;
- Ensure that the club's cash balances are accurate;
- Determine that established procedures for handling booster and school support organization funds have been followed;

- Ensure that expenditures have been appropriately received and occurred in a manner consistent with the organization's bylaws;
- Ensure that all revenues have been appropriately received and recorded.
- Submit a copy of audited financial report to the campus principal or designee no later than August 1 following the end of the fiscal year.

The audit committee shall make a report to the general membership upon completion of the audit. Any discrepancies noted shall be brought to the attention of the president of the organization and a resolution reached prior to presentation. All officers of the organization shall make records available as requested by the committee.

ELECTION OF OFFICERS

The election of officers of the organization will occur annually within the timelines and manner prescribed by the booster organization and school support organization bylaws. Typically the election of officers should occur by May of each 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 completed no later than July 1st of each year.

Officers may be elected in a variety of methods (simple majority, secret ballot) in accordance with the organization's bylaws. The election of officers should be from a slate of officers presented by the nominating committee in the spring of each school year. Recommendations may also be taken from the floor at the time of the vote in accordance with Roberts Rules of Order. At no time should officers be appointed without the input and approval of the membership.

The organization shall provide the name, address, email address and telephone number of the newly elected officers and the authorized signers of bank accounts (annually) to the campus principal or designee. Any changes in positions shall be reported to the campus principal in a timely manner.

STANDARDS FOR MEETING

Notice of all meetings of the booster organization and school support organization should be published at the campus seventy-two hours prior to the meeting date. The notice should clearly indicate the date and time of the meeting and the items to be discussed. Such booster and school support organization meetings may not occur without the presence of the campus principal or group sponsor in attendance.

Business determined at meetings without adequate campus representation shall be considered null and void. If a booster organization and school support organization feels that it is necessary to meet without a campus administrator or sponsor, the Business Manager should be contacted for an acceptable replacement.

RULES FOR DISSOLUTION

To dissolve a booster organization and school support organization, a resolution shall be adopted by the booster organization and school support organization (or the executive board if the organization is inactive) stating that the question of such a dissolution be submitted to a vote at a special meeting of the members having voting rights. At 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. The booster organization and school support 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 and force it into a fully taxable situation.

TRAINING REQUIREMENTS

The booster club and school support organization executive board is required to attend one meeting yearly held by FISSD Administration to give updates. Training requirements should be implemented into the operations of the booster club and school support organization in a timely manner.

LIABILITY

The District strongly encourages booster clubs and school support organizations to obtain adequate insurance protection for liability and financial fraudulence. Organizations should have various safeguards set up to protect the officers and membership, and funds that are raised. Organizations may be asked to provide adequate insurance coverage for activities conducted on school premises. The District cannot provide insurance coverage for Booster Clubs and/or School Support 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. This policy does not replace your liability policy but is a complement.

The Bond or Commercial Crime policy is set up to protect your 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 you manage your organization and the decisions that are made by you and other board members. These decisions include what type of fundraiser to have where to hold the event or any other managerial decisions.

A Property Policy provides protection for the personal property of your organization from such perils as theft or fire.

One thing that most organizations don't realize is that your Property Policy can also protect your fundraising merchandise, auction items, and raffle prizes.

FEDERAL AND STATE REPORTING

This section provides general tax information to organizations. It is each organization's responsibility to seek competent professional tax advice for its own tax reporting and filing requirements. The information provided in this document is not intended to be specific or all inclusive.

APPLICATION FOR FEDERAL TAX EXEMPT STATUS 501 (C) (3)

- General instructions on the rules and procedures for federal tax exemption may be found in Internal Revenue Service (IRS) Publication 557 - How to Apply for Recognition of Exemption for an Organization...
- The booster organization and school support organization must apply for exemption from federal taxes on Form 1023, Application for Recognition of Exemption under Section 501 (c) (3).
- The application must be accompanied by Form 8718, User Fee for Exempt Organization Determination Letter Request, which provides a user fee to be paid to the IRS, depending on the anticipated annual gross receipts. 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 organization's exempt status.

Each organization must submit to the District's Finance Department a copy of the determination letter issued by the Internal Revenue Service with regard to the organization's exempt status with the GASB 39 information form.

NOTE: Instructions for completing these forms and copies of these forms can be found on the IRS website at www.irs.gov under "forms and publications." The IRS main number is 1-800-829-1040, and the Tax-Exempt section is 1-877-829-5500.

APPLICATION FOR EMPLOYER IDENTIFICATION NUMBER (EIN)

- The IRS requires all organizations that conduct business to have their own Employer Identification Number.
- The EIN is obtained with the SS-4 Form from the IRS. (A member's social security number should not be used as the organization's EIN for banking or other business purposes. Organizations are not allowed to use the District's EIN.) The EIN will be the number used to establish a bank account for the organization.
- The organization must file its Articles of Incorporation and Bylaws with the Secretary of State's office as a non-profit association. Typically, an attorney licensed in the State of Texas completes the articles of incorporation. Further information may be obtained on the Secretary of State's web site at www.sos.state.tx.us.
- When a number is assigned to the organization, ensure that the paperwork is maintained in a permanent file from year to year.
- The recommended fiscal year end for a booster club or school support organization is June 30.

NOTE: An organization can now apply for an EIN number online on the IRS website at www.irs.gov, then under "forms and publications" insert "employer identification number" and continue to complete the application process online.

ANNUAL FILING REQUIREMENTS

Every booster organization and school support organization exempt from federal income tax under section 501(c) is required to determine the necessity of filing an annual Form 990, Return of Organization Exempt from Income Tax. It is the responsibility of the organization to determine whether filing is required and, if so, to complete the requisite filing.

Further, even though booster organizations and school support organizations are 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. Each organization must determine whether additional forms must be filed in this regard. More information can be obtained from Publication 598, Tax on Unrelated Business Income of Exempt Organizations.

PUBLIC DISCLOSURE

A nonprofit organization must provide copies on request of its original application for tax exemption, including any supporting documents filed by the organization in support of its application, plus any letter document issued by the IRS in connection with the application. In addition, the organization must provide copies of its annual IRS information returns for the past three years, including all schedules and attachments. When a request for information is made in person, the booster organization and school support organization is required to furnish the requested information immediately under IRS guidelines. Further, the organization will be required to comply with the timelines established by the Texas Public Information Act, Texas Government Code Chapter 552.

Organizations are exempt from the above requirements, with the exception of requests under the Texas Public Information Act, if they have made the documents widely available, such as posting them on a web site, or if it can be demonstrated that the requests are part of a harassment campaign. Requests made under the Texas Public Information Act may be subject to limited exceptions and should be immediately forwarded to the campus administrator for review. If the organization elects to post the information on a web site, specific IRS criteria must be followed which produces an exact reproduction of the information; HTML format is not acceptable. It is acceptable to post financial information in a database of other charitable organizations such as GuideStar which can be located at www.guidestar.org.

SALES TAX

APPLICATION FOR STATE SALES PERMIT NUMBER TAXABLE STATUS OF PURCHASES

- All booster clubs and school support organizations **must** apply for their own sales permit number. They **may not** use another organization's or the District's sales permit number.
- Application forms for a sales permit number may be obtained from the Texas Comptroller of Public Accounts.
- Organizations that have applied for and received a letter of exemption from sales tax do not have to pay sales and use tax when they buy, lease or rent taxable items that are necessary to the organization's exempt functions.
- Each organization can have two tax-free sales days per calendar year according to Texas State Sales Tax Law.
- No item purchased tax-free by an exempt organization can be used for the personal benefit of a private party or individual.
- A booster organization and school support organization must provide the vendor with a valid signed exemption certificate when claiming state sales tax exempt status. Exemption certificates do not require numbers to be valid nor is the vendor required by law to honor the exemption.
- Items which become the 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.
- Individual members of an athletic team, band, etc., may not claim exemption from the sales tax on the meals they purchase while on a school authorized trip.

COLLECTION AND REMITTANCE OF SALES TAXES

The booster organization and school support organization shall collect sales tax on all taxable sales as appropriate to the location of sale. This information may be obtained from the City Secretary's office where the sale originates.

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

Example Only (use appropriate sales tax amount for area of sale)

- 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 7.25%, the school would collect \$2.15 ($\2.00×1.0725) 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 school would retain \$1.86 and remit \$0.14 for sales tax. If this method is used, divide the total sales by 1.0725 (assuming a tax rate of 7.25%) 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;
- Sale of food and soft drinks sold during a regular school day, subject to an agreement with the proper school authorities;
- Food and drinks sold at PTA/PTO carnivals;
- Vending machine sales;
- Meals and food products, including candy and soft drinks, served in an elementary or secondary school during the regular school day;
- Candy and food items sold through fundraising drives by PTA/PTO or students of the school who are under eighteen years of age;
- Two tax-free sales of otherwise taxable merchandise per calendar year, per school, per organization are allowed. A record of the sale must be maintained in the minutes of the organization.

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 and school support organization 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.
 - Sales tax should be filed in accordance with the Comptroller's guidelines (typically on an annual basis).
- For questions regarding sales tax, call the Texas Comptroller of Public Accounts at 1-800-252-5555 or refer to www.window.state.tx.us.

ACCOUNTING FOR TRANSACTIONS

METHOD OF ACCOUNTING

There are a wide variety of computerized accounting packages available to assist the organization in accurate financial reporting; manual record keeping is not the recommended method of reporting. Rather, each organization should adopt an accounting package or computerized accounting method to be used for several fiscal years. Establishing records in a spreadsheet format is perfectly acceptable, although somewhat cumbersome. It is preferable to adopt an accounting package for long-term use. The packages chosen should be reviewed on a biannual basis for effectiveness and accuracy of financial reporting. Packages should also be evaluated based upon their ease of use and overall cost, both financial and training, to the organization.

At a minimum, the membership should be provided with a financial statement and bank reconciliation at each meeting. The financial statement should detail the budget to actual expenditures and receipts. Cash receipts and disbursement reports should be available for review when needed or at the annual audit. Any individuals who actively coach or direct a UIL activity should not have control or signature authority over organizations funds.

CASH RECEIPT PROCEDURES

All cash collections received by the booster organizations and school support organizations for fees, dues, fund raising, etc. must be deposited upon receipt. All funds must be supported by some type of record

documenting the source and amount of funds (tabulation of monies collected form; cash receipt form, ticket sales record, etc.). Such documentation shall be readily available for audit purposes.

Deposits shall be made daily if the total receipts on hand exceed \$50. If daily receipts are less than \$50, deposits shall be made within one week, even if the receipts for all days combined are less than \$50. All money must be deposited prior to holidays and weekends.

Bank deposits should be prepared as follows to ensure the integrity of the financial reporting:

- 1) Separate all currency and coins by denomination and carefully count and record it in the appropriate section of the bank deposit form.
- 2) A tape may be run of any checks included in the deposit rather than indicating the checks individually on the deposit slip form. A copy of the tape should be retained with your copy of the deposit records.
- 3) Total the deposit slip.
- 4) Tally the pre-numbered cash receipts and make certain that this total matches the deposit total.
- 5) Attach the cash receipt verification with a copy of the deposit slip and file in date order.
- 6) For large deposits, have another individual independently count the currency and coins, and verify that the amounts have been correctly recorded on the deposit slip.
- 7) Both individuals should initial the deposit slip next to the currency amount on the deposit slip.
- 8) Seal the deposit in a deposit bag in the presence of the second individual. This is called dual control and, places the organization in a better position to challenge any claim that the bank may make that the currency received was not correct.

BANK ACCOUNT

To open a bank account, the organization must first obtain an Employer Identification Number (EIN) from the IRS. (See Federal and State Reporting section - Application for EIN.)

- The school's name should not be solely used on the organization's checks or on its literature. The use of the school name only might imply that the school or the District is responsible for any obligations entered into by the club. The name must include the organization's name on the bank account. Example: John Doe High School Band Booster Club.
- It is suggested that at least two (2) officers sign each disbursement. Both signers should be parents or guardians with children in the affiliate organization. School District club sponsors may not serve as the treasurer nor be authorized to sign checks for the organization.
- All funds received should be receipted and deposited within 24 hours of receipt. Commingling of the organization funds and school activity funds is prohibited.
- School employees may not accept loans of funds from parents and student organizations.
- The Treasurer should reconcile the bank statement monthly and prepare a monthly financial report to the Board of Directors or Executive Board or Officers.

BANK RECONCILIATION

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled monthly to the bank account balance in the general ledger as of the last day of the month.

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 Ledger

To complete the bank side of the reconciliation form, perform the following steps:

- Indicate the ending balance per the bank statement.
- Check off outstanding checks from prior month's bank reconciliation using the bank statement.
- Determine the outstanding checks by comparing the Check Register to the bank statement, including any remaining checks from the previous month.
- Determine the deposits in transit by comparing the Cash Receipts Journal to the bank statement.
- Identify any items that need to be corrected by the bank, such as check printing, returned check charges and material encoding errors. These items should be grouped together under Other Adjustments.
- Total all items and enter the amount on the Adjusted Bank Balance line.

To complete the General Ledger side of the reconciliation form, perform the following:

- Indicate cash account ending balance from the general ledger.
- Compare the bank statement to the Check Register and list any cleared checks that were not posted.
- Indicate any outstanding returned checks.
- Indicate the interest earned per the bank statement. This amount should be immediately posted.
- Identify any items that need to be corrected on the General Ledger (such as immaterial encoding errors) under Other Adjustments.
- Total all items and enter the amount on the Adjusted Cash Balance line.

Compare the adjusted bank balance to the adjusted cash balance to make sure that they are in agreement. If they are not, the reconciliation is NOT complete. Examine the prior month's reconciliation to ascertain that all items have been posted and/or corrected. If at all possible, a computerized reconciliation program should be used in conjunction with the organization's financial package.

DISBURSEMENT OF FUNDS

All requests for disbursement must be made from established budget line items. If a request exceeds the budget or is for an item not previously included in the budget process, a vote of the membership must be taken prior to expenditure. Direct payments and gifts to employees and alcoholic purchases are not permitted uses of booster and school support organization funds.

Booster organizations and school support organizations may not contribute funds in an effort to increase the personnel allocations and/or stipends of a particular program or campus.

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.

1099 REQUIREMENTS

Internal Revenue Service guidelines require that all payments for services in excess of \$600.00 made to an individual by a booster organization and school support organization be reported on a form 1099 on an annual basis. The booster organization and school support organization should secure an IRS form W-9 from the provider at the time of service to ensure that the organization has an accurate record of the tax payer identification number. The organization must then issue a form 1099 to all qualifying vendors performed in the calendar year by January 31st.

The following guidelines can be used to determine if reporting is required:

- Risk of profit or loss** - Independent contractors realize a profit or sustain a loss based on their success in performing the work or service.

- **Continuing relationship** - The relationship between an independent contractor and employer ends when the job is done.
- **Compliance with instructions** - Independent contractors cannot be told when, where, or how to do the job.
- **Training** - Independent contractors do not go through any type of instructional training period with a more experienced employee to learn how to do the job. Independent contractors specialize in the field in which they have been employed and do not require training.
- **Personal service required** - The right of an independent contractor to substitute another's services without the employer's knowledge shows that one particular individual's personal services are not being required by the employer.
- **Integration into the business** - The success or continuation of the business is not dependent on the independent contractor's performance of the service.
- **Control over the hiring, supervising, and paying of assistants** - Independent contractors maintain control of their assistants. The employer contacts the independent contractor if there is a problem, and the employer pays the independent contractor for the work done. The independent contractor then pays the assistants directly.
- **Set hours of work** - An independent contractor sets working hours.
- **A full-time work requirement** - An independent contractor has the availability to work for more than one client.
- **Working for more than one firm** - An independent contractor has an established business in which they work for more than one firm.
- **Worker's availability to the general public** - An independent contractor makes services available to the public on a regular and consistent basis.
- **Working on the employer's premises** - An independent contractor works off-premises unless the nature of the service to be performed requires attendance at the employer's work site.
- **Required work order or sequence** - An independent contractor does not need to be told in what order or how to do a job as he/she is considered an expert in the field.
- **Required reports** - An independent contractor is not required to submit oral or written reports.
- **Payment by the hour, week, or month** - An independent contractor is paid in a lump sum fee basis when the job is done. An invoice must be generated to substantiate the payment.
- **Payment of business or travel expense** - An independent contractor is responsible for his/her own business or travel expense. If paid by an employer, the employer must include the expense amount in the independent contractor's 1099 (unless you can verify an accountable plan).
- **Furnishing of tools and materials** - An independent contractor has the necessary tools and materials to do the job.
- **Investment in facilities** - If the independent contractor maintains an office on the employer's premises, he/she must pay a rent or lease payment for the office space as well as the overhead.
- **Employers discharge rights** - An independent contractor cannot be terminated as long as he/she is fulfilling the contract.
- **Worker's termination rights** - An independent contractor may be held financially responsible for any loss the employer may suffer due to an incomplete, inaccurate or unsatisfactorily completed contract. The Internal Revenue Service web site should be accessed for appropriate 1099 reporting requirements and forms at www.irs.ustreas.gov.

FUND RAISING

All booster organizations and school support organizations shall complete a fund raising application for each type of planned, scheduled or anticipated event, activity, or product sale and receive the approval of the campus principal or designee. This application details the vendor (if any), product to be sold or service to be rendered. (See appendix) For safety reasons, the district discourages door-to-door solicitation.

RAFFLES

Booster clubs and school support organizations are permitted to hold raffles under specific conditions. The State of Texas Attorney General's ruling on raffles specifies that an organization must be in existence for at least three (3) years and must have a 501c(3) designation before they can conduct a raffle. Raffles are a legal activity for a charitable organization provided each of the regulations listed below are followed:

Each ticket must indicate the name and address of the organization, name of an officer, price of the ticket and a description of each prize valued at \$10 or more. No prize may be valued in excess of \$50,000.

- Each organization may hold no more than two raffles per year and only one at a time.
- Tickets may not be advertised through paid advertising.
- A raffle prize may not be cash.
- The booster and school support organization must have the prizes in its possession before beginning the raffle or post a bond for the full value with the county clerk.
- Only members of the sponsoring organization may sell the tickets. Students are not allowed to sell tickets.
- The organization must fill out a W2-G form to turn into the IRS if the prize exceeds \$600. A W-9 must be completed by the winner or backup withholding at the rate of 31% must be collected by the organization. Provided the prize value is less than \$5,000 and a W-9 is completed by the recipient, the organization is under no obligation to collect tax.
- Phone solicitation may not be used to promote the event.
- No one may be compensated directly or indirectly for organizing or conducting a raffle or selling raffle tickets.

SOLICITATION PERMITS

Cities have rules, regulations, and ordinances that may apply to your fund-raising activity. Some cities may require a solicitation permit that is temporary or renewable on an annual basis. It is recommended that the booster club or school support organization contact the city before an activity is planned or advertisement of a fund raiser is to be distributed.

DONATIONS

School district staff and students are discouraged from accepting gifts of value. Students engaged in UIL activities shall not accept 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. In accordance with Policy CDC (LOCAL), gifts to the District must meet the following criteria:

- Must have a purpose consistent with District purposes.
- Place no restrictions on the school program.
- Do not require the endorsement of a business product.
- Do not conflict with policies or actions of the Board or public law.
- Do 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 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 Internal Revenue Service purposes.

A gift and grant to the school or District that may impact a campus (i.e. facility, grounds, infrastructure, technology, or curriculum) must have prior approval.

EMPLOYER IDENTIFICATION NUMBER

The FISD Employer Identification Number **is not available** to booster clubs and/or school support organizations.

TOOLS FOR SUCCESS

The following guidelines apply to all parent/booster/school support organizations. If a question should arise which cannot be resolved at the campus level, the FISD Business Manager should be contacted for clarification.

Organizations should:

- Hold all meetings publicly and announce in advance, according to the organization's bylaws.
- Be voluntary and provide unified support for student success at the school.
- Encourage involvement by all parents of student participating in the support activity.
- Use school facilities only with prior approval of the principal or designee.
- Obtain approval of the principal or designee for all fundraising activities.
- Have a campus administrator or designee present at all booster and school support organization meetings.
- Submit a copy of current bylaws and operating procedures to the principal or designee.
- Submit the name, address, email address, and phone number of all current officers and the authorized signers of bank account to the principal or designee.
- Provide adequate insurance coverage for its organization.
- Pay all taxes and other debts incurred by the organization.
- Comply with Board policies when donating money or gifts to the District.
- Comply with UIL guidelines, District policies, and Federal and State tax laws.
- Obtain Federal tax exempt status.
- Obtain an Employer Identification Number.
- Obtain a State Sales Permit.
- Submit IRS Determination letter and GASB 39 information form annually to the District's Finance Department no later than August 1.
- Follow the same standards of conduct as district employees when chaperoning, sponsoring or attending student activities, including rules in the campus handbook.

Organizations should not:

- Have authority in directing or influencing District employees in the administration of duties.
- Be involved in decision or policy making activities for a student group.
- Give a sponsor or coach a gift of cash in excess of the limits imposed by the UIL guidelines from any source in recognition of, or appreciation for coaching, directing or sponsoring student activities.
- Give anything (including awards) to students without prior approval from the school administration. (Faculty sponsors wish-lists should have received prior approval from school administration before submission to an organization.)
- Give a member any gift without the approval of the club membership.
- Employ or pay any member for services rendered with the organizations funds.
- Sign contracts or pay expenses directly from the organizations accounts for any arrangements for student travel associated with the organizations without the prior approval of the principal. (Organizations may donate money or merchandise to the school with prior approval of the administration.)
- Use the District's tax identification number as the organization's identification number.
- Use the District's sales permit number as the organization's sales permit number.

OTHER CONSIDERATIONS:

- Any action taken at the meeting will be subject to review and revocation by the sponsor, principal or designee.
- Each individual student's or group of students' participation will be determined by the sponsor, the principal/designee 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 be no student activities, parties, meetings, travel, or other gathering in the name of the school organization, booster organization, or school support organization unless prior permission has been received from the sponsor and the principal or the sponsor is present. All activities will be under the auspices of the school and the district.
- School employee and student planning and preparation for activities supported by the booster organization and school support organization will occur outside of the school day or as approved by the principal/designee.
- Activities and travel sponsored by booster organizations and school support organizations must be outside the school day or as approved by the appropriate Assistant Superintendent.
- The educational purposes of all activities should be a major consideration - there will be no travel for purely leisure or recreational purposes;
- Participation in any activity or travel associated with booster and school support organization activities is a privilege and not a right for all involved. All student and employee 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 to use at his or her discretion;
- The purchase or consumption of alcoholic beverages while on school property, at school-related or school sponsored activities, or in the presence of students, is specifically prohibited;
- Organizations shall not directly support political activities by providing campaign donations or placing advertisements in support of a particular candidate as doing so could jeopardize the tax-exempt status of the organization;
- Booster organizations and school support organizations may not contribute funds in an effort to increase the personnel allocations and or stipends of a particular program;
- Booster organizations and school support organizations may not contribute funds for contracted services or campus travel to enhance professional development.

TOP 10 WAYS TO PROTECT YOUR ORGANIZATION AGAINST EMBEZZLEMENT

1. Money should never be kept at a treasurer's home.
2. Two people should always count the money, and both should sign the receipt verifying the amount.
3. Two signatures should be required on all checks.
4. Have a member who does not have check signing authority review the bank statement monthly before giving it to the treasurer. This person is looking for red flags including: checks showing up in non-sequential order, checks made out to cash, cash withdrawals, checks written out to non-approved vendors, checks written for non-approved expenses, and checks written out to individuals.
5. Never sign a blank check or a check made out to "cash."
6. The treasurer should arrange to deposit the money in the bank as soon after the conclusion of the project as possible.
7. Money should be deposited into the organization's bank account daily, even if a project is ongoing.
8. All bills must be paid by check, never cash.
9. Conduct an annual audit of the books.
10. Make sure that you have a Bond policy and make sure to follow the requirements to guarantee coverage.

This information has been provided by AIM - Association Insurance Management.

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TOP TEN THINGS TO REMEMBER WHEN FUNDRAISING

1. Have a specific goal for each fundraiser, regularly remind yourself and your volunteers of that goal, and promote it to the community.
2. Assign an organized person to serve as fundraising chairman.
3. If you are using a fundraising company, know the company or check out references and have a written contract.
4. Select a program with a good service package that fits your needs.
5. Make sure the product you're selling represents a good value at a fair price.
6. Look for fundraising activities that have educational value and promote community involvement.
7. Delegate and involve as many volunteers as possible.
8. Keep it short. People lose interest in long projects.
9. Don't overdo it. Remember, kids are in school to learn and parents can only afford so much. Also, remember the children must never be placed in a position of risk.
10. Have fun. It's got to be fun!

Top Ten Things To Remember When Fundraising – "Texas PTA Treasurer Chairman's Guide"
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REFERENCES

Web Sites

FISD Web Site	www.farmersvilleisd.net
FISD Policy On-Line	www.farmersvilleisd.net
Internal Revenue Service	www.irs.gov
UIL.....	www.uil.utexas.edu
State Comptroller.....	www.window.state.tx.us
Secretary of State.....	www.sos.state.tx.us

Other Resources

Internal Revenue Service (main number)	800-829-1040
Internal Revenue Service (tax-exempt section)	877-829-5500
State Comptroller	800-252-5555
Secretary of State.....	512-463-5555
UIL	512-471-5883
State PTA.....	800-TALK PTA
Association Insurance Management (AIM).....	800-876-4044

APPENDIX

GASB 39 FORM

BOOSTER CLUB & SCHOOL SUPPORT ORGANIZATION FUND RAISING APPLICATION

Booster Club & School Support Organization Fund Raising Application

Name of organization:

Campus supported:

Type of event, activity, product sale or service:

Date beginning:

Date ending:

Location of event, activity, product sale or service:

Specific purpose(s) for which the net proceeds are to be used:

Vendor (if applicable):

Vendor contact name:

Phone:

Event coordinator:

Phone:

District contact name:

Phone:

I request permission to conduct a money raising activity. I will be responsible for the accountability of all monies collected and I will follow the organization's bylaws and FISD guidelines.

Coordinator's signature

Date

Principal/Designee's signature

Date

The Governmental Accounting Standards Board (GASB) Statement #39 requires school districts to consider financial activities of all parent teacher organizations, booster clubs, foundations and other fundraising entities for inclusion in the district's financial statements.

In order to determine whether financial information for these groups must be included, it is necessary to gather data regarding the financial activities of these organizations. The following information will enable school district officials and auditors to determine if financial activities of the organization must be included in the annual financial report.

This information is needed no later than **August 1**, annually. The information provided should include financial records year ending June 30. Keep in mind that external auditors who prepare the district's audit may require additional information.

Name of organization

Campus/Activity supported

What is the activity of your organization?

What is your organization's Tax ID number?

What is the date of your IRS Letter of Determination? (Attach a copy)

What is the balance of your organization's bank account, as of June 30?

What is your organization's fiscal year end?

Does your organization's gross receipt normally exceed \$25,000 per year?
(IRS defines 'gross receipts' as all revenues generated before subtracting any expenses.)

If yes, did you file a Form 990 and Schedule-A last year?

Date filed

If no, were you exempt from filing Form 990 and Schedule-A?

What are the total annual contributions to the school district and/or students?

I confirm that the information provided on this form is accurate to the best of my knowledge.

Printed name and title
Signature

Phone number
Date

Return form to:
Farmersville ISD Business Office
501A Hwy 78
Farmersville, TX 75442