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BOOSTER CLUB TRAINING
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Thank
you



OVERVIEW OF TOPICS & DOCUMENTS

LOCAL POLICY

FISD ATHLETIC MANUAL

AUDIT REQUIREMENTS
RESOURCES

GE LOCAL

CDC LOCAL

UIL BOOSTER GUIDELINES

Purpose of Booster Clubs

- ✓ In Forney ISD, we encourage the participation and involvement of parents in the education of their children. One way parents can be involved is through participation in voluntary parent organizations such as Booster Clubs, PTOs and PTAs (herein referred to as Boosters).
- ✓ Boosters should be organized to help promote, enrich, support, and improve the activities of schools in Forney ISD.

Booster Guidelines

- ✓ Boosters are governed by various entities. The School District has Board Policies and guidelines that must be followed by boosters. Also, boosters **must follow the guidelines of the University Interscholastic League (UIL)**, the State of Texas, and the Federal Government, through the Internal Revenue Service (IRS). State regulations govern several areas related to state sales tax, becoming incorporated, holding of a raffle, etc.
- ✓ The UIL Booster Club Guidelines do not necessarily include all rules that may apply to your organization. For specific questions, you should contact Neal Weaver, FISSD Athletic Director or Mario Luna, Director of Fine Arts directly. **We are the district designees.**

Booster Guidelines

- ✓ Booster officers are solely responsible for ensuring that their Booster Club is in compliance with all federal regulations. The most important regulation is the duty to comply, and the duty to report. Therefore, the District is not responsible for a Booster Club not being in good standing with all federal agencies. However, the District has provided some information related to federal tax regulations.
- ✓ Boosters are not alone in this process and Forney ISD will assist when all legally possible so boosters can support the main thing: our students!

Booster Recommendations

- ✓ Fund raising activities should support the educational goals of the school or program and should not exploit students.
- ✓ Fundraising should be primarily done by parents, with students having limited participation and solely as volunteers (never requires students to participate nor establish separate accounts for individual students).
- ✓ Booster clubs must benefit the group as a whole, not its individual members, and the use of individual accounts is prohibited.
- ✓ Boosters are not alone in this process and Forney ISD will assist when all legally possible so boosters can support the main thing: our students!

Purpose of GE (local)

✓ Jurisdiction

District has absolute obligation and authority to structure, organize and monitor organizations and entities which represent the district and its schools, and conduct business and fund raising on school properties.

✓ UIL Booster Club Guidelines

The Superintendent or designee is solely responsible for the entire UIL program. All school activities, organizations, events and personnel are under the jurisdiction of the superintendent.

BOARD POLICY GE (LOCAL) BOOSTER REQUIREMENTS

- ❖ Specific Guidelines #2 – Authority
- ❖ Requires boosters to have bylaws and submit to designee for approval (Ath. Secretary or Lisa James for Fine Arts)
- ❖ Requires boosters to issue receipts for all money received
- ❖ Requires boosters to hold public meetings
- ❖ Requires boosters to obtain federal tax-exempt status as a 501(c)(3) organization
 - ❖ Formation of a non-profit corporation or obtaining an EIN does not entitle the booster to exemption under federal taxes
 - ❖ May not use FISD's tax ID number for purchases or to open a bank account

BOARD POLICY GE (LOCAL) DISTRICT REQUIREMENTS

- ❖ Assist boosters in carrying out the activities of their organization as legally permitted
- ❖ Approve all school-related activities of boosters
- ❖ Obtain an annual report of all activities
- ❖ Audit all funds
 - ❖ Compliance with local policy requirements
 - ❖ Adequate documentation to support financial activities of the booster

Boosters may not...



- ❖ **Use FISD's tax identification number to open a bank account or make purchases**
- ❖ Establish a petty cash or miscellaneous funds for a sponsor to be used at his/her discretion
- ❖ Give a sponsor a gift or cash in excess of the limits imposed by the UIL (currently \$500)
- ❖ **Endorse a political candidate** including the candidate's name on banners, programs, t-shirts, etc.
- ❖ **BEST PRACTICE – Do not let FISD employees handle booster money!**
- ❖ District/Admin designee needs to be aware if booster clubs are purchasing technology items. Follow tech department requirements

Benefits of Becoming a 501(c)(3)

TAX BENEFITS

- Revenues raised by booster are generally not taxable
- Contributions to a 501(c)(3) are tax deductible by the contributor
- Can qualify for sales tax exemption through State of Texas
- Ability to hold raffles and conduct bingo (off-site)

LEGAL BENEFITS

- Potential for reduced individual liability from incorporation (boosters should obtain legal advice regarding legal liability and insurance protection)



Benefits of Becoming a 501(c)(3)

RAFFLE

- Texas Charitable Raffle Enabling Act
- Qualified organizations can host two per year
- Prize may not be money
- Cannot have more than one on a single day
- Qualified entity must be at least three years old, elected body, 501c3, cannot distribute income
- Bingo is strictly governed; check the law

Qualifying for Exemption of Texas Sales and Use Tax

- Organizations must apply for an exemption from sales and use tax along with exemption from franchise tax to the Texas Comptroller's Office
- Complete Application AP-204 (Sales and Use Tax)
- Exemption process is separate and in addition to applying for federal tax-exemption from the IRS

Tax Exempt Status – Do's and Don'ts

- Activities must benefit the group as a whole instead of benefiting individual members of a group
- All members of the student group sponsored are to be treated equally

Sales Tax Purchases

- Sales tax permit applies to the purchase, lease or rent of taxable items that are necessary to organization's exempt functions (DOES NOT INCLUDE SALES)
- Provide exemption certificate at time of purchase
- Cannot use tax-free items for personal benefit

Sales Tax Collection and Remittance

- 501(c)(3) organizations get two tax free sales per year
- Must file at least one sales tax report per calendar year – frequency of monthly, quarterly, or annually is determined by Comptroller's Office and is based on amount of sales tax collected in previous periods
- A late fee will be imposed by the Comptroller's Office to any entity failing to submit a sales tax report even if sales tax collected during a reported period

Insurance Coverage

- May or may not need depending on size of organization and funding availability
- Liability insurance
 - ✓ General liability – protects booster club and members
 - ✓ Officer's liability – protects officers for decisions made
 - ✓ Business personal property – protects computers, fundraising merchandise, etc.
 - ✓ Fidelity (bond) coverage – protects funds from fraud, embezzlement, robbery, and theft
 - Must have certain financial controls in place to qualify for fidelity coverage

Internal Controls

- Controls over all disbursements
- **Submit a list of all planned fundraisers to sponsor/coach**
- Checks should require a second signature
- Maintain a current bank signature card
- **Document, document, document**
 - ✓ All deposits should have corresponding receipts or a summary listing where revenue sources came from
 - ✓ All purchases should have a pre-authorization form – require approval from an additional director when the requestor is typically the approver
 - ✓ All purchases should have an invoice or billing statement accompanied by receipts
 - ✓ Ensure records are maintained even if booster leadership changes

Coach Weaver

Athletic Director

FISD DONATION

PROCESS/CROWDFUNDING

COACH WEAVER

- *FISD Donation (over \$250)
 - www.forneyisd.net
 - Staff Page / Donation Form
- *Crowdfunding
- *Athletic Amateur Rule
- *Valuable Consideration
- *Title IX

Additional Best Practices...

- Do not require dues to be in a booster club
- Use a PO Box – not a personal home address for booster mail
- Bylaws are given to appropriate personnel (Ath. Secretary/Lisa James)
- Printing Agendas vs. digital (still can be shared)
- Voting Procedures
- Stay on Agenda
- Time of meeting; value their time
- Monthly meetings vs. bi-monthly
- Sub-committees for feeder programs
- Two signatures on checks
- Two individuals counting money
- Outside company to handle filing taxes
- Recommendation of board officers having service
- Work together with other booster clubs – all here for the kids!

- If rules are broken, kids and their organizations suffer the consequences!

Resources

- IRS Non Profit Section – (877) 829-5500
- Comptroller’s Office for Exempt Organizations
(800)252-5555
- Forney ISD – (972)564-4055
- www.boosterclubs.org
- www.pta.org
- www.schoolfoundations.org
- www.parentbooster.org

Questions and Answers

Thank you for your attendance and for all you do for Forney ISD