



# Wylie Independent School District

Booster Club  
Guidelines

**2022-2023**

# Wylie ISD

## Booster Club Guidelines

### Contents

UIL Booster Club Guidelines.....	4
Role of Booster Clubs .....	5
District Booster Clubs Shall:.....	5
District Booster Clubs Shall Not:.....	6
Election of Officers .....	7
President.....	7
Vice-President.....	7
Secretary.....	8
Treasurer .....	8
Executive Board .....	9
Special Committees.....	9
Nominating Committee.....	9
Audit Committee.....	9
Standards for Meetings .....	10
Federal and State Reporting.....	10
General Federal Regulatory Information .....	10
Obtaining an Employer Identification Number (EIN) .....	10
Becoming a Public 501(c)(3) Tax-Exempt Organization.....	11
General State Regulatory Information .....	11
Obtaining a Texas Sales Tax Permit .....	12
Qualifying for Exemption From Texas Sales and Use Tax.....	12
Franchise Tax .....	12
Annual Federal Filing Requirements .....	13
Sales Tax .....	14
Banking Information .....	15
Financial Reporting.....	16
Financial Reporting to the District .....	16
Cash Receipt Procedures.....	16
Petty Cash.....	17
Bank Reconciliation .....	17
Disbursement of Funds .....	17
1099 Requirements.....	18
Audit Instructions.....	20

# Wylie ISD Booster Club Guidelines

Fundraising Activities .....	21
Gifts to District/Employees .....	21
To schools and district: .....	21
To employees: .....	22
Scholarships .....	22
Other Requirements .....	24
Liability Information Guide .....	25
Top Ways to Protect Your Organization against Embezzlement .....	27
Helpful Links .....	28
Booster Club Checklist of Activities .....	29
WISD Requirements for Formation of New Club.....	30
Booster Club Leadership Information Sheet.....	31
External Group Fundraiser or Activity Form.....	32
Fund Collection Recap.....	33
Booster Club and Wylie ISD - Money Donations.....	34
Booster Club and Wylie ISD – Capital Equipment Donations – WISD Ownership.....	35
Booster Club and Wylie ISD – Capital Equipment Donations – Booster Club Ownership.....	36
Booster Club Guidelines Acknowledgement .....	37

# Wylie ISD Booster Club Guidelines

## *UIL Booster Club Guidelines*

This document provides guidelines which govern all Booster Club activities related to UIL sponsored competition. Since the UIL regulates and governs what participants, sponsors, and coaches may and may not accept, it is very important Booster Club members and parents are aware of these guidelines.

<http://www.uiltexas.org/policy/booster-club-guidelines>

The additions in this manual are specific to Wylie ISD Booster Clubs. Guidelines from UIL supersede any discrepancy between this manual and the link above.

**\*\*Important note: Booster Clubs at Wylie ISD will exist at the high school level only.**

## **Role of Booster Clubs**

Booster Clubs shall organize and function in a way consistent with the District's philosophy and objectives, within adopted Board policies, and in accordance with UIL regulations as applicable.

### **District Booster Clubs Shall:**

1. Be voluntary and provide unified support for student activities of the school.
2. Encourage involvement by all parents of students participating in the supported activity.
3. Use school facilities only with prior approval of the principal or designee.
4. Obtain approval of the principal or designee for all fundraising activities.
5. Submit a copy of audited financial report to [Accounting@wylieisd.net](mailto:Accounting@wylieisd.net) no later than August 1 following the end of the fiscal year.
6. Submit the name, address, and telephone number of all current officers to [Accounting@wylieisd.net](mailto:Accounting@wylieisd.net) (*please find form on pg. 31*). Two signatures will be required on all checks.
7. Provide evidence of adequate insurance coverage for activities conducted on school premises. The District cannot provide insurance coverage for Booster Clubs.
8. Pay all taxes and other debts incurred by the organization.
9. Comply with administrative regulations and Board policies when donating money or gifts to the District.
10. Comply with UIL guidelines, District policies, and Federal and State tax laws.
11. Obtain tax exempt status (c) (3).
12. Obtain an Employer Identification Number (EIN).

District Booster Clubs Shall Not:

1. Have authority in directing or influencing District employees in the administration of duties.
2. Be involved in decision or policy making activities for a student group.
3. Give a sponsor or coach a gift or 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.
4. Give anything (including awards) to students without prior approval from school administration. (Faculty sponsor's wish-lists must receive prior approval from school administration before submission to Booster Club).
5. Give a member any gift without the approval of the club membership.
6. Employ or pay any member for services rendered with Booster Club funds.
7. Direct, employ, contract, supplement or in any way compensate a consultant, clinician, accompanist, or paraprofessional for work performed for the student activity without prior approval from director and/or campus principal.
8. Sign contracts or pay expenses directly from Booster Club accounts for any arrangements for student travel associated with the organization. (Booster groups/individuals may donate money/merchandise to the school with prior approval from administration).
9. Have any elected or appointed officers that do not have a child who is actively participating in a WISD program during the current school year.
10. Use the District tax identification number as the Booster Club identification number.
11. Use the District sales permit numbers as the Booster Club sales permit number.

## Election of Officers

Employees of the District shall not serve in a financial capacity of a booster or other parent organization. Financial capacity includes holding positions as treasurer, fundraising chairperson, or serving as a check signer.

Individuals elected to officer positions in a Booster Club must have a child actively involved in a WISD program.

At a minimum, the booster organization shall elect the following officers on an annual basis. Each officer should receive a printed copy of the manual. Each officer must read the manual and return a signed acceptance form (pg.37) to the *campus principal* before the first meeting of the new school year.

### President

Typically, the president of a booster organization 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 booster activities.
- Resolve problems in the membership.
- Regularly meet with the treasurer of the organization to review the organization's position.
- Select an officer as the designee to receive bank statements either through the mail at their home address or electronically. This individual shall not be a signer on the account. Upon receipt, the designee should review the activity on the bank statement and canceled checks for reasonableness. This provides an independent review by an individual not associate with disbursement activity.
- Schedule annual audit of records or request an audit in the need should arise during the year.

### 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.

### Secretary

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 meeting minutes and have a thorough knowledge of parliamentary law and the organization's procedures. The major duties include, but are not limited to, the following:

- Report on any recommendations made by the executive board of the booster organization if such a governing board is defined.
- Maintain the records of the minutes and any standing committee rules, current membership and committee listing.
- Record all business transacted at each meeting.
- Maintain records of attendance of each member.
- Conduct and report on all correspondence on behalf of the organization.

### Treasurer

The treasurer is the authorized custodian of the funds of the association. The treasurer receives and disburses all monies indicated in the budget or as authorized by action of the association. All persons authorized to handle funds of the association should be covered by a fidelity bond in an amount based on 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.
- Issue a receipt of monies received and deposit said amounts on a weekly basis (daily if receipts on hand exceed \$250.00).
- Present a current financial report including bank statements, bank reconciliations, and financial statements to the Booster Club Board within thirty (30) days of the previous month end. Copies should be available for review by the general membership as requested.
- File current financial reports at the end of each semester (December and June) with the executive committee.
- Maintain accurate and detailed account of all monies received and disbursed.
- Reconcile all bank statements as received and resolve any discrepancies with the bank immediately.
- File sales tax reports as required by the State Comptroller's office (monthly, quarterly, or annually).
- File annual IRS form 990 in a timely manner.
- Submit records to the audit committee appointed by the organization upon request or at the end of the year.

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



### Executive Board

The Executive Board for Booster Club purposes within Wylie Independent School District will consist of the club's director, Assistant Superintendent – Finance and Operations, and the District Superintendent.

### 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. 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 members 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.

### Nominating Committee

The nominating committee is formed from the organization's membership in the spring of each year. The purpose of the committee is to recommend various members of the organization for office in the coming school year. The nominating committee should be charged with soliciting recommendations for officer positions within the organization. The committee should then contact the potential candidate directly to ascertain their willingness and desire to serve. The nominating committee should report back to the membership on their results in the spring so the election may be held.

Once officers are elected for the coming year, the newly appointed secretary must submit names, addresses and phone numbers of the new officers to the campus principal.

The secretary and treasurer of the organization shall turn records over to the incoming officers within thirty (30) days of the election. Records should be kept for a period of ten (10) years for audit purposes.

### Audit Committee

At the end of the fiscal year, an audit of the Booster Club'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 a group of three individuals; however, if the membership size does not allow, the audit may be performed by two individuals.

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.

## **Standards for Meetings**

Notice of all meetings 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. In order to provide an optimum level of communication and teamwork, Booster Club meetings should be held in the presence of the campus principal or other school sponsor. Business determined at meetings without adequate campus representation shall be considered null and void.

The Booster Club may use school facilities only with prior approval of the principal or designee.

## **Federal and State Reporting**

### **General Federal Regulatory Information**

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

### **Obtaining an Employer Identification Number (EIN)**

Every organization must have an EIN, even if it will not have employees. The EIN is a unique number that identifies the organization to the Internal Revenue Service. Since booster clubs are separate entities from the District, booster clubs cannot use the District's EIN. An organization is not automatically considered tax-exempt by acquiring an EIN. All organizations must first apply for an EIN to be recognized as a unique entity and then apply for tax-exempt status. Likewise, the mere fact that an entity is organized as a non-profit organization does not indicate that it is exempt from federal tax. Booster clubs may obtain an EIN by applying online, by phone (800) 829-4933, by completing Form SS-4 and faxing to (859)669-5760 or by mailing the 2 completed Form SS-4 to: IRS, Attn: EIN Operation, Philadelphia, PA 19255. No fee is required for obtaining an EIN. After receiving an EIN, booster clubs may use it to then open a bank account and obtain a State Sales Tax Permit. Booster clubs should not use an individual's social security number to conduct the business of the organization.

Copies of the completed SS-4 form and the IRS response documenting the assigned EIN number should be kept in the booster club's permanent records from year to year.

### *Becoming a Public 501(c)(3) Tax-Exempt Organization*

Formation of a non-profit corporation or obtaining an EIN does not necessarily entitle the organization to exemption from federal taxes; organizations must apply for tax-exempt status. In order to be exempt from federal taxes, the booster club must first complete IRS Package 1023/1023-EZ – Application for Recognition of Exemption under Section 501(c) 3 of the Internal Revenue Code. General instructions on the rules and procedures can be found in IRS Publication 557 – Tax- Exempt Status for Your Organization. These documents are available on the Internal Revenue Service website (refer to the References section for the website address). Note: when completing the IRS Package 1023/1023-EZ, booster clubs will establish their fiscal year-end. Once this date is established, the IRS does not easily allow an organization to change it. The date established will determine when the booster club has to file their informational return (Form 990) to the IRS. Package 1023/1023-EZ is not required of an organization if gross receipts normally do not exceed \$5,000 per year however it is still recommended to do so.

The completed IRS Package 1023/1023-EZ must then be accompanied by IRS Form 8718, *User Fee for Exempt Organization Determination Letter Request*, which provides a user fee to be paid to the Internal Revenue Service. The fee will vary depending on the anticipated annual gross receipts.

Once Package 1023/1023-EZ and Form 8718 are completed they should be mailed along with a check for the filing fee to: Internal Revenue Service, PO Box 192, Covington, KY 41012. Upon acceptance of the organization's exempt status by the Internal Revenue Service, 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. In addition, a copy of the letter should be shared with the school's bookkeeper and the District's Financial Services Department. Organizations may not represent themselves as tax-exempt until they have obtained notification from the IRS stating they are a tax-exempt entity. The IRS approval process for tax-exempt status usually takes several months.

### *General State Regulatory Information*

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

### Obtaining a Texas Sales Tax Permit

Some items to be sold are non-taxable however, exempt organizations must get a Sales Tax Permit and collect and remit sales tax for all taxable items it sells. Please refer to the Texas Comptroller's website for a list of taxable and non-taxable items. Booster clubs may obtain a Texas Sales Tax Permit by submitting the completed applications to the Texas Comptroller's Office. Booster clubs must apply online for the Texas Sales Tax Permit. A Texas Sales Tax Permit will be issued to the booster club along with a Sales Tax Permit Number. The Texas Sales Tax Permit Number has 11 digits and begins with a 1, 2, or 3. The permit numbers beginning with a "1" are based on an entity's EIN. Those permit numbers beginning with a "2" are based on a person's social security number. The permit numbers beginning with a "3" are assigned by the Comptroller's Office. Booster clubs cannot use the District's Sales Tax Permit Number. The searchable Taxpayer Information Database located at the Texas Comptroller's website can be used to determine if a booster club has a Sales Tax Permit.

### Qualifying for Exemption From Texas Sales and Use Tax

The organization must apply for an exemption from sales and franchise tax from the Texas Comptroller's Office. To apply for exemption based on the federal exempt status, complete application AP-204 which can be found on the Texas Comptroller's website. Also included on this webpage is an Exempt Organization Search feature that can be used to verify if a booster club is already exempt. Organizations that have received a letter of sales tax exemption from the Texas comptroller do not have to pay sales and use tax on taxable items they buy, lease or rent if the items are necessary to the organization's exempt function.

Exempt organizations should claim an exemption at the time of purchase by providing a properly completed exemption certificate in lieu of paying tax to the retailer. This exemption process is separate and in addition to applying for federal tax-exemption from the IRS.

### Franchise Tax

Every profit and nonprofit corporation in Texas must file all franchise tax reports and public information reports with appropriate payment until the Comptroller's office has granted tax exemption. Failure to do so will cause the loss of corporate privileges as well as the forfeiture of charter by the Texas Secretary of State. Booster clubs that have received their Determination Letter from the IRS granting 501(c)(3) tax exemption may also request exemption from the Texas franchise tax through the Texas Comptroller's Office. Although a nonprofit corporation that is exempt from federal income tax under Internal Revenue Code 501(c)(3) is exempt from franchise tax, the exemption is not automatically granted. Booster clubs must apply for exemption with the Texas Comptroller's Office based on the federal exempt status.

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

## Annual Federal Filing Requirements

Every booster organization exempt from federal income tax under section 501(a) is required to either file an annual Form 990 *Return of Organization Exempt from Income Tax*, Form 990-N *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or 990-EZ* or Form 990-EZ, *Short Form Return of Organization Exempt From Income Tax*. The return is due by the 15th day of the 5th month after the close of the organization's tax year or fiscal year. According to the IRS, small tax-exempt organizations, such as small booster clubs, are required to file an annual electronic notice Form 990-N (*e-Postcard*). The e-Postcard is required to be filed online. The e-Postcard is due every year by the 15th day of the 5th month after the close of the organization's tax year. A booster club cannot file the e-Postcard until after its tax year ends. Whether or not a booster club has filed for exemption status with the IRS, it should still file the appropriate 990 form as required by exempt organizations. IRS regulations affect not-for-profit organizations and their requirements for financial reporting.

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

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

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

Booster Clubs must use Form 990-EZ if:

1. Gross receipts are more than \$50,000 but less than \$200,000 **AND**
2. Total assets are less than \$500,000 at year-end. Booster Clubs must use Form 990 if:
  - a) Gross receipts are \$200,000 or more **OR**
  - b) Total assets are \$500,000 or more at year-end.

These provisions may change so consult with a tax professional or the IRS for additional assistance.

Even though booster organizations are recognized as tax exempt, they may be liable for Federal 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 \$1,000 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-EZ, or 990-N and is required regardless of the level of the income received.

If the booster club's address has changed a notification must be sent to the IRS to ensure that any IRS refund or correspondence is received. To change an address with the IRS, complete Form 8822, *Address Change Request*, and send it to the address shown on the form.

## Sales Tax

All Booster Clubs must apply for their own sales permit number. They may not use the number of another Booster Club or the District sales permit number. Sales by a Booster Club are generally taxable. Booster Clubs are not tax-exempt unless they have filled out the proper application forms from the Texas Comptroller of Public Accounts and have been given tax-exempt status. Each Booster Club can have two tax free sale days per calendar year according to Texas State Sales Tax Law.

### Taxable Status of Purchases

- A booster 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 parent, booster, patron, or alumni organizations to secure exemption from sales and excise taxes. Parent/teacher organizations and Booster Clubs must apply for their own 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.
- Meals purchased by the organization for teams, groups, bands, etc. on authorized school trips are exempt from sales tax if the organization contracts for the meals. The booster organization must pay for the meals with a Booster Club check and provide an exempt certificate.
- Individual members of the team, group, band, etc. may not claim exemption from sales tax on the meals they purchase while on a school authorized trip.

### Collection and Remittance of Sales Taxes

The Booster Club shall collect sales tax on all taxable sales. When imposing sales tax, the organization has the option of:

- Adding the tax to the item's selling price – thus, if the selling price of an item were \$2.00, the tax rate was 8.25%, the booster club would collect \$2.17 ( $\$2.00 \times 1.0825$ ) 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 the tax, the booster club would retain \$1.83 and remit \$0.17 for sales tax. If this method is used, divide the total sales by 1.0825 (assuming the tax rate is 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

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

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

Sales tax should be filed in accordance with the State Comptroller's guidelines. Further information can be found on the Comptroller's website: <http://comptroller.texas.gov/>.

### Banking Information

To open a bank account, the Booster Club must first obtain an Employer Identification Number (EIN) from the IRS. (See Federal and State Reporting information section)

The Booster Club shall not use just the school's name on its checks or on its literature. The use of the school name might imply that the school or the District is responsible for any obligations entered into by the club. It must include the Booster Club's name on the bank account.

It is suggested that at least two officers sign each disbursement. Both signers should be parents or guardians with children in the affiliate Booster Club. School district employees may not be a signer on Booster Club bank accounts.

All funds received should be receipted and deposited on a weekly basis. Commingling of Booster Club 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 Booster Club Board.

## **Financial Reporting**

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 and at the annual audit.

### **Financial Reporting to the 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 Clubs are required to submit to the Executive Board mid-year and end-of-year financial statements. End-of-year financial statements should be submitted to [Accounting@wylieisd.net](mailto:Accounting@wylieisd.net).

### **Cash Receipt Procedures**

All cash collections received by the Booster Club 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. Such documentation should be readily available for audit purposes.

It is recommended that deposits be made daily if the total receipts on hand exceed \$250.00. If daily receipts are less than \$250.00, deposits shall be made within one week even if the receipts for all days combined are less than \$250.00. 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:

- Separate all currency and coins by denomination and carefully count and record it in the appropriate section of the bank deposit form.
- A tape may be run of any checks included in the deposit rather than indicating the checks individually on the deposit slip. A copy of the tape should be retained with your copy of the deposit records.
- Total the deposit slip.
- Tally the pre-numbered cash receipts and make certain this total matches the deposit total.
- Attach the cash receipt verification with a copy of the deposit clip and file in date order.
- Deposits should be counted and verified by two individuals and correctly recorded on the deposit slip.
- Both individuals should initial the deposit slip next to the currency amount on the deposit slip.
- 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.



### Petty Cash

Each booster organization may maintain a small petty cash account. Strict controls must be maintained by keeping petty cash in a locked box accessible by only the treasurer and one other officer. Control of the petty cash account by a district employee is not allowed. The petty cash funds should be used for emergency purchases only. All other purchases should be made with a Booster Club check.

Upon disbursement through the petty cash account, a receipt for the purchase should be retained. At any given time, the amount of petty cash remaining and the aggregate total of receipts on hand should equal the amount of the established petty cash account.

### Bank Reconciliation

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the bank account balance in the general ledger as of the last day of the month. The reconciliation should be completed within thirty (30) days of the date of the bank statement.

Items needed for reconciliation:

- Bank reconciliation form
- Prior month's bank reconciliation
- Bank statement
- Check Register and/or Cash Disbursement journal
- Cash Receipts journal
- General Ledger

### Disbursement of Funds

At the outset of the school year, a budget of anticipated expenditures should be developed. Prior to a disbursement, the request to expend 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 a vote by the general membership. Direct payments to District employees are not permitted uses of Booster funds, nor are the purchase of alcoholic beverages or tobacco products.

Booster organizations may not contribute funds in an effort to increase the personal allocations and/or stipends of a particular program or campus without the express written approval of the Executive Board.

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 activities, all disbursements relating to Booster Club activity shall require the approval of the campus principal or designee.

### 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 be reported on a form 1099 on an annual basis. The Booster Club should secure an IRS form W-9 from the provider at the time of service to ensure 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 a calendar year by January 31<sup>st</sup>.

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 complete.
- 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 experience 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 hiring, supervising, and paying of assistants – Independent contractors maintains 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 assistance 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 complete. An invoice must be generated to substantiate payment.
- Payment of business or travel expense – An independent contractor is responsible for his/her business or travel expense. If paid by an employer. The employer must include the expense amount in the independent contractor's 1099.
- 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.
- Employer's 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 website should be accessed for appropriate 1099 reporting requirements and forms.

## **Audit Instructions**

### *Why is an audit necessary?*

An audit is an examination of the financial records of the Booster Club. It assures that all income and expenditures are accounted for and consistent with the budget and goals for the year. It also verifies that the bank balance and ledger balance are reconciled. The audit is to protect the Booster Club officers and the organization.

### *When is an audit conducted?*

An audit should be conducted at the end of the fiscal year, when there is a change in treasurer, and when there is a change in any officer who signs Booster Club checks.

### *Who conducts the audit?*

An audit may be conducted by an outside party, such as a CPA or an audit committee. The audit committee should be comprised of at least two members of the Booster Club (not the President or Treasurer).

### *What are the audit procedures?*

Suggested steps for the audit committee:

1. Review reconciled bank statements and canceled checks to determine that:
  - Disbursements have been properly documented with an invoice or receipt.
  - Disbursements have been properly approved.
  - Checks have been properly signed.
  - Checks have been deposited or cashed by the payee indicated.
  - Checks have been accounted for in the proper sequence (no missing checks).
2. Check addition and subtraction on cash receipts and deposits.
3. Compare cash receipts and deposits to the bank statement.
4. Verify that receipts and disbursements were allocated to the correct account or budget category.
5. Verify that income from sales, dues, or any other sources have appropriate backup. The total amount collected should match the amount deposited into the bank account.
6. Review the Treasurer's monthly reports and check them for accuracy. Review the beginning and ending balances on reports to verify that correct ending balances were carried forward as beginning balances on subsequent reports.

7. Determine that only applicable Booster Club officers are authorized signers on bank account(s). Former officers should not remain on the account(s) as authorized signers. In addition, the faculty sponsor or any other District employee shall not be an authorized signer on the account.
8. Obtain proof that all applicable sales taxes were paid.
9. The audited financial report should be signed by all members of the audit committee and submitted to the campus principal or designee no later than August 1 following the end of the fiscal year.
10. Verify that 1099's were issued if applicable.

### **Fundraising Activities**

It is the policy of the District that funds received from Booster Club fundraising activities is used to benefit the student and school in an appropriate way.

Fundraising projects for parental groups shall be:

- For the educational benefit of the students, coordinated through the principal.
- For a specific project as identified in the current approved budget and not for the sake of raising money.
- In connection with the established goals and philosophies of the Booster Club as well as UIL guidelines.
- The use of individual accounts for members of District groups or clubs is not allowed.
- A Booster Club can lead a fundraiser; funds must be collected and maintained by the club or group, not a staff employee.

Booster Clubs desiring to conduct a fundraising activity for a school program shall submit the completed 'Fund Collection Recap' (*found at the end of this document*) to the principal at least 15 days after the conclusion of the event/activity.

No fundraising activities can begin until the Booster Club obtains approval from the principal or designee.

### **Gifts to District/Employees**

#### **To schools and district:**

Gifts to the school may be in the form of cash with a request it be used to purchase specific items(s) or to provide funds for a definite purpose. Personal property purchases, except those specifically identified as property of Booster Clubs, that are placed in, on, or around the school will be considered as a gift to the school and District.

Gifts and donations \$5,000.00 or greater require Board approval before acceptance. Every effort will be made to keep the gift item at the intended campus; however, the needs of the district must come first.

To employees:

It is the intent that student and parental gifts to school district employees are an expression of appreciation, rather than a gift of significant monetary value. Employees shall in no way encourage students, parents, or support groups to present gifts. An employee shall not accept gifts during instructional, supervisory, or other activities at the school or administrative area. Any exception to this shall require a prior written approval by the Superintendent of the school district. All booster organizations will follow established UIL guidelines when considering the amount of gifts.

**Scholarships**

The District requires Booster Clubs to implement scholarship programs that are consistent with all other scholarship programs. Requirements include:

- All qualifying seniors must have the opportunity to apply for the scholarship(s).
- The application process should be reviewed and approved by the campus principal or designee to ensure that implemented processes are consistent with other scholarship programs on the campus.
- The application process must be clearly communicated, and the application forms must be readily available to all potential applicants and their parents and/or guardians before the end of the first grading period of the academic year.
- The Scholarship Review Committee must be appointed by the President of the Booster Club before the first day of the academic year.
- The Scholarship Review Committee must be made up of an odd number (5-7) of members (parents of the Booster Club who do not have children eligible for consideration for the scholarship, interested teachers, campus administrators, and/or the sponsor). Many times the sponsor is an ex-officio member of the Scholarship Review Committee and not an actual voting member so the sponsor is a source for additional information/input to the Scholarship Review Committee and a final review resource for the Scholarship Review Committee decisions.
- The Scholarship Review Committee must consider all qualifying applicants.
- The qualification criteria for selection of scholarship winners (if any) must be communicated in writing to all potential applicants before the end of the first grading period of the academic year and may not be changed during the scholarship award period. Any changes to the scholarship qualification criteria must be recommended by the sponsor and voted on by the Booster Club membership no later than the May Booster Club meeting for changes effective in the upcoming academic year.

- The application, scoring, decision materials, tabulation, notes, certified recordings, and/or any other documentation used by the Scholarship Review Committee in connection with a given applicant shall be made available upon written request by that applicant. An open records request fee may be charged for this service. Scholarship Review Committee must retain the original materials for a minimum of seven years.
- Scholarship applicants shall be full-time WISD senior students for a minimum of one full semester prior to the application deadline.
- All completed applications must be turned in to the WISD Senior Counselor no later than the deadline set for local scholarship applications.
- All scholarship applications which do not have the required information will be considered incomplete and returned to the applicant.
- Scholarship awards may not be “need” based.
- Applicants who have received full scholarships from other sources may not be eligible for local scholarships.
- The applicant’s intended major may or may not be made a factor in scholarship consideration.
- The applicant’s enrollment in an accredited institution (college, university, trade school, military academy, etc.) is a requirement for receiving scholarship funds.

The Booster Club may or may not require interviews with applicants in the decision process. If an interview is part of the process, it must be communicated no later than the end of the first grading period of the academic year. The applicant’s parent or guardian must be permitted to be present at any interview. Interview topics must be communicated to the applicant not less than seventy-two hours prior to the interview.

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

## **Other Requirements**

- Principal must approve on-campus activities, including meeting times, place, dates, fundraisers and activities. Such activities cannot conflict with school schedules or activities, district policies or financial procedures, and must be in accordance with Texas Education Agency (TEA) and University Interscholastic League (UIL) guidelines. These will take precedence over Booster Club activities.
- The Booster Club must not be used to attempt to influence the sponsor, principal or other administrator's decisions or be a lobbying group concerning matters which are duties assigned to district personnel, such as trips, staffing, and schedules.
- On-campus activities, especially fundraisers, should not supplant, duplicate, nor interfere with those of other school or Booster Clubs. The principal has the authority to limit the number of on-campus fundraisers.
- All activities in which a student group participates travel or otherwise, will be approved in advance by the sponsor and the principal. At such activities, the sponsor shall have full authority at all times except as instructed by the principal or designee.
- Booster Club members, parents, etc. are expected to follow the same standards of conduct as district employees where chaperoning, sponsoring, or attending student activities.
- Each student or group of students' participation will be determined by the sponsor and the principal and not by the organization or any member(s). Participation is considered 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.
- The purchase or consumption of alcoholic beverages and tobacco products while on school property 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. If a candidate is running for office is invited to join a meeting, all candidates running for the office must be extended an invitation to the event.



## **Wylie ISD Booster Club Liability Information Guide**

**Booster Liability:** A Booster group and a school district are two distinct legal entities and have separate legal responsibilities. Negligence committed by one does not necessarily mean negligence committed by the other. Even though an accident or occurrence may be the result of unintentional negligence, it may lead to an allegation or lawsuit, often naming officers and directors, employees and/or volunteers.

**Texas Tort Claims Act:** As a general rule, governmental entities, such as school districts, are immune from liability due to the doctrine of sovereign immunity. School districts are political subdivisions of the state and are not answerable for circumstances as pertains to the actions of their trustees, agents, or employees under the doctrine of governmental immunity. The only exception to this immunity occurs when an employee has negligently operated or used a motor vehicle as provided in the Texas Tort Claim Act 101.021 and 101.051. The Texas Tort Claim Act does not grant this same immunity to the Booster organizations.

**Booster Liability Insurance:** Wylie ISD strongly urges that all Booster groups carry Public Liability Insurance and Directors' and Officers' Liability Insurance with a minimum limit of \$1,000,000. **A certificate of insurance adding Wylie ISD as a policy certificate holder should be filed with the Wylie ISD Risk Management Department annually.** The policy should be written by a company licensed to do business in the State of Texas. Your organization's policy should provide coverage for the specific operations or events that you plan to sponsor. Liability insurance policies may vary and not all events may be covered by your policy. Prior to scheduling any event, confirm with your insurance agent that the event is not excluded by your policy.

**Additional Insured Requirement:** If your group contracts with a third-party concessionaire or vendor to operate or conduct an activity on your behalf, you should request a certificate of insurance with limits of at least \$1,000,000. The certificate should name your Booster as an additional insured on their insurance policy. If the vendor is unable or unwilling to provide this certificate of insurance, it would be prudent for your organization to find an alternative vendor. Booster groups should not add concessionaires, vendors or any other committees as an additional insured on your policy. The coverage that your group purchases is intended to protect your Booster for your own activities and not the activities of others.

**Hold Harmless/Indemnification:** Wylie ISD will not authorize or sign any contract if the "indemnification" or "hold harmless" language has not been removed or addressed by the Assistant Superintendent of Finance and Operations. Your group should enforce the same requirements. For example, if such wording is left in the contract, your Booster group is providing coverage for your vendor by the "hold harmless" wording in the contract. It is not the intent of your insurance policy to provide coverage for the vendor you hire. Make sure to contact your insurance agent for any contractual liability questions or concerns.

**Gifts/Donations to the District:** Wylie ISD is so grateful and appreciates the immense support

the Boosters are to our schools. We highly encourage your generous gifts to the district to be in a monetary form with your request form listing the specific purpose of the donation. Donations valued at \$5,000 or greater, require Board approval before District acceptance.

## **Top 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 as the conclusion of the project.
7. Money should be deposited into the organization's bank account daily, even if a project is ongoing.
8. Do not pay bills with cash.
9. Conduct an annual audit of the books.

## **Helpful Links**

- Obtaining EIN
  - <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online> Employer-Identification-Number-(EIN)-Online
- Secretary of State Incorporation
  - [http://www.sos.state.tx.us/corp/forms\\_boc.shtml](http://www.sos.state.tx.us/corp/forms_boc.shtml)
- Obtaining Sales Tax Permit
  - <https://www.comptroller.texas.gov/taxes/sales/faq/permit.php>
- Sales & Use Tax Bulletin
  - <https://www.comptroller.texas.gov/taxes/publications/94-183.pdf>
- Sales Tax Reporting
  - <http://comptroller.texas.gov/taxinfo/taxforms/01-117.pdf>
- Application for Federal Tax Exempt Status
  - <https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501c3-organizations> Exemption
- Wylie ISD Booster Club Guidelines & Forms
  - <http://www.wylieisd.net/Page/1524>
- UIL Booster Club Guidelines
  - <http://www.uiltexas.org/policy/booster-club-guidelines>

## **Booster Club Checklist of Activities**

### Formation

Submit Request to WISD  
Become Incorporated in Texas  
Obtain EIN from IRS  
Obtain Sales Tax ID  
Apply For 501c3 nonprofit status  
Submit IRS Determination Letter to WISD

### Ongoing

Monthly Bank Reconciliations  
Sales and Franchise Tax (until nonprofit status is approved)  
Submit mid and year-end financial statements to WISD

### Year End

Elect Officers for Upcoming Year  
Notify WISD of new officers  
Adopt Budget

**WISD Requirements for Formation of New Club**

- Groups must have a minimum of 10 members
- Officers must be elected within one month from the formation date
- Groups are not allowed to form during a school year
- Groups are not allowed to form at the Junior High level
- Request for new clubs must be submitted prior to June 1 for the coming school year
- A certificate of insurance adding Wylie ISD as a policy certificate holder should be filed with the Wylie ISD Risk management Department annually.

If the requirements above are met, the form on the following page should be completed and submitted to the campus principal.

If approved, the form will be signed by the campus principal and returned to coordinator.

**Wylie ISD**  
**Booster Club Leadership Information Sheet**

Each Booster Club must complete the following information each school year by **October 1**.

New Club       Existing Club      # of Members: \_\_\_\_\_

Campus: \_\_\_\_\_ School Year: \_\_\_\_\_

Booster Club Name: \_\_\_\_\_

**President:** \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Email: \_\_\_\_\_

**Vice-President:** \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Email: \_\_\_\_\_

**Treasurer:** \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Email: \_\_\_\_\_

**Secretary:** \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Email: \_\_\_\_\_

**Financial Institution Information:**

Bank Name: \_\_\_\_\_ Acct #: \_\_\_\_\_

*This information must be completed by the newly appointed secretary for the upcoming year and submitted to the campus principal for submission to the Accounting Department.*

As incoming Secretary, I have read the Wylie Independent School District Booster Club Guidelines. I understand the procedures outlined in this document and will adhere to its instruction. At any time should I have questions regarding procedures or information outlined in this document, I will contact the Wylie ISD Accounting Department for further instruction.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Principal Signature

\_\_\_\_\_  
Date

**For Business Office Use Only**

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

**Wylie ISD**  
**External Group Fundraiser or Activity Form**

Booster Club     PTA

School Club/Organization: \_\_\_\_\_

Name of Coordinator: \_\_\_\_\_

Coordinator's Daytime Phone: \_\_\_\_\_

Coordinator's Evening Phone: \_\_\_\_\_

Type of Fundraiser/Activity: \_\_\_\_\_

Date(s) of Fundraiser/Activity: \_\_\_\_\_  Please check box if taxable

Location of Event: \_\_\_\_\_

Will WISD facilities be used? \_\_\_\_\_ If so, specify: \_\_\_\_\_

Purpose of Event: \_\_\_\_\_

Coordinator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Campus Secretary Signature: _____	Date: _____
Campus Principal Signature: _____	Date: _____
Finance Approval Signature: _____	Date: _____



**Wylie ISD**  
**Fund Collection Recap**

This page should be completed by the event/activity coordinator and the entire form submitted to the Campus Financial Secretary no later than 15 days after the conclusion of the event/activity.

Date Submitted: \_\_\_\_\_

Gross Sales: \_\_\_\_\_ Taxable Sales: \_\_\_\_\_ Tax Due: \_\_\_\_\_

Total Amount Deposited:

Booster Club Account: \_\_\_\_\_

PTA Activity Account: \_\_\_\_\_

Coordinator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Campus Secretary Signature: _____	Date: _____
Campus Principal Signature: _____	Date: _____
Finance Approval Signature: _____	Date: _____



**Booster Club and Wylie ISD – Capital Equipment Donations – WISD Ownership**

[Capital equipment purchase by the Booster Club, donated to the school.]

Agreement between \_\_\_\_\_ Booster Club and \_\_\_\_\_  
(School/School District). The \_\_\_\_\_ Booster Club has purchased the following  
and is donating it/them to \_\_\_\_\_ (School) for the following use(s)/purpose(s): \_\_\_\_\_

\_\_\_\_\_.

The \_\_\_\_\_ Booster Club **may/may not** use the items under the following  
conditions:

\_\_\_\_\_.

The school will be responsible for the maintenance of the item(s). The school also will be responsible for providing for the safe and continuing operation of the item(s). In case of loss or theft, the school will be responsible for replacement and agrees to replace the item with a like kind. Any gift given by the Booster Club is without any future liability protection or guarantees by the Booster Club.

\_\_\_\_\_  
Booster Club President Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Principal/Administrator Signature

\_\_\_\_\_  
Date

*\*The Booster Club membership must provide for any expenditure through a budget adoption/amendment and a specific vote at a membership meeting. This agreement is void if not ratified by the membership.*

**Booster Club and Wylie ISD – Capital Equipment Donations – Booster Club  
Ownership**

[For capital equipment purchased by the Booster Club, ownership to be retained by the Booster Club,  
the item to be stored at the school. [Example: popcorn popper.]

Agreement between \_\_\_\_\_ Booster Club and \_\_\_\_\_  
(School/School District). The \_\_\_\_\_ Booster Club has purchased the following for  
its own use: \_\_\_\_\_

\_\_\_\_\_.

This equipment will be stored at \_\_\_\_\_ (School) but will remain the  
property of the Booster Club. It may be used only by Booster Club members or under their supervision.  
This item **may/may not** be used by: \_\_\_\_\_ school staff and/or \_\_\_\_\_  
students. Anyone using the property other than the Booster Club will pay for supplies and  
maintenance. If the item is damaged when its use occurs outside of the Booster Club, then repayment  
for cost or damage will be required.

\_\_\_\_\_  
Booster Club President Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Principal/Administrator Signature

\_\_\_\_\_  
Date

*\*The Booster Club membership must provide for any expenditure through a budget adoption/amendment and a  
specific vote at a membership meeting. This agreement is void if not ratified by the membership.*

**Wylie ISD**  
**Booster Club Guidelines Acknowledgement**

As incoming \_\_\_\_\_, I have read the Wylie Independent School District Booster  
*(Officer Position)*  
Club Guidelines. I understand the procedures outlined in this document and will adhere to its  
instruction. At any time should I have questions regarding procedures or information outlined in this  
document, I will contact the Executive Board for further instruction.

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Booster Club Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date