



# **BOOSTER CLUB GUIDELINES**

**Birdville Independent School District  
6125 East Belknap Street  
Haltom City, Texas 76117**

# BIRDVILLE INDEPENDENT SCHOOL DISTRICT

## BOOSTER CLUB GUIDELINES

### Introduction

Community support organizations for extracurricular activities – or Booster Clubs – are a valuable complement to the school’s athletic and fine arts competition programs. Their activities often provide additional financial resources and enrichment for the programs they support. **Every Booster Club in Birdville ISD must be familiar with and conduct all its activities in compliance with requirements and limitations set out by the University Interscholastic League (UIL) and district policies.** The full text of UIL guidelines is available online at [www.uil texas.org/files/booster-guide.pdf](http://www.uil texas.org/files/booster-guide.pdf).

This booklet supplements the information in those guidelines and communicates most of the district’s booster club policies and procedures.

### Purpose of Booster Clubs

Booster Clubs exist to assist and support the Organizational Sponsor with extra and co-curricular activities. An Organizational Sponsor is defined as the district employee (i.e.-teacher or coach) in charge of the activity or organization. A Booster Club is responsible for supporting a student group, activity, or program. Support may be as simple as providing refreshments for a particular event or as complex as raising money for an out-of-state competition. The Booster Club works through the Organization Sponsor to assist with the planned activities of the student group. However, the Booster Club does not have the authority to decide the activities or trips in which the student group will participate. Although parents and the Booster Club may provide suggestions about particular activities, the Organization Sponsor is responsible for the final decision with district approval.

### 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 following UIL regulations as applicable.

#### **Booster Clubs will:**

- Be voluntary and provide unified support for student activities of the school.
- Encourage involvement by all parents of students participating in the supported activity.
- Use school facilities only with prior approval of the Organization Sponsor and campus administration.
- Obtain approval from the Organization Sponsor and campus administration for all fundraising activities.
- With member approval, prepare and submit an operating budget identifying sources of income and expenditures to the Organization Sponsor and Campus Principals.
- Submit copies of financial reports to the Organization Sponsor and Campus Principal on a regular basis corresponding with organization and board meetings.

- Submit a copy of audited financial report to the Organization Sponsor and Campus Principal within 60 days of the last day of school.
- Submit the slate of officers, authorized bank signers, and the approved budget for the school year to the Organization Sponsor and Campus Principal no later than September 30<sup>th</sup> of each school year.
- Pay all taxes and debts incurred by the organization.
- Comply with administrative regulations and Board policies when donating money or gifts to the school.
- Comply with UIL guidelines, district policies, and federal and state tax.
- Ensure all Booster Club members have successfully completed a BISD Volunteer Application annually. ([www.birdvilleschools.net](http://www.birdvilleschools.net): Community/Volunteer Partnership)

***Booster Clubs will not:***

- Have authority in directing or influencing school employees in the administration of duties.
- Be involved in decision-making or policy-making activities for a student group.
- Give an Organization Sponsor 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.
- Give anything (including awards) to students without prior approval from the school administration.
- Give a member any gift without the approval of the members of the booster club.
- Employ or pay any Booster Club member or BISD employee for services rendered with Booster Club funds.
- 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 Organization Sponsor.
- Sign contracts or pay expenses directly from Booster Club accounts for any arrangements for student travel associated with the organization. All transportation arrangements and payments are made through the district. Booster groups and individuals may donate money or merchandise to the school with prior approval from administration.
- Have any elected or appointed officers that do not have a child who is actively participating in the program supported by the Booster Club during the school year they are to serve.
- Use the school's tax identification number as the Booster Club identification number.
- Use the school's sales permit numbers as the Booster Club sales permit number.

For additional information, see [Appendix A: GE\(Local\)](#)



## Forming a Booster Club

**BISD Policy requires booster organizations to obtain federal tax-exempt status as a public 501(C)(3) charitable organization.** Information, forms, and answers to Frequently Asked Questions about nonprofit, tax-exempt organizations and how to become one are available online at [www.sos.state.tx.us/corp/nonporfitfaqs.shtml](http://www.sos.state.tx.us/corp/nonporfitfaqs.shtml).

Any Booster Club formed to support a district activity or organization must have bylaws that address all topics listed in the UIL Guidelines at “Written Policies”. A copy of its bylaws should be provided to the Organization Sponsor, Campus Principal, and district Athletics or Fine Arts director before engaging in any activities other than those necessary to its formation and organizing meetings. The Organization Sponsor, Campus Principal, and district Athletics or Fine Arts Director will review the bylaws to make sure that all the required topics are addressed but do not have the authority to change the bylaws. The district will not recognize any Booster Club whose bylaws are incomplete.

The Booster Club name may include the program it supports – for instance “Band Boosters”, “Class of 20\_\_”, “Football Boosters”, “Drill Team Boosters” – and may include the name of the group or team it supports, but it may not include the school district’s name with the designation “ISD” or “Independent School District” or “High School” or any other designation suggesting or stating that the Club is operated by the school district itself or any school campus.

At the activation meetings of interested adults who want to establish a booster club, certain important elements should be agreed upon. These include:

- The determination of the purpose and goals of the club to be consistent with and enhancing the education programs of the school district.
- The appointment and/or election of a slate of officers, to include, as a minimum, President, Vice President, Secretary, and Treasurer. The Organization Sponsor or campus administrators shall not be a member, hold office, or have voting privileges on the executive board. However, the Organization Sponsor will work closely with the booster club to facilitate planning and communication. Campus secretaries and bookkeepers cannot hold a financial position with the district and a financial position with the Booster Club.
- Preparation of a constitution or bylaws which must have as a minimum:
  - 1) Establish a maximum tenure of office for individuals holding positions of honor and trust;
  - 2) Establish the fiscal year dates in which the booster club will operate;
  - 3) Establish provision for the appointment of a member audit committee or the selection of an audit firm to perform an annual audit of financial records;
  - 4) Provide for the preparation and member approval of an operating budget identifying fund raising projects and the purposes for which the funds are being raised;
  - 5) Identify the official records to be established and maintained by the elected officials of the booster club;
  - 6) Establish the criteria and define membership in the booster club as one comprising parents and other non-student adults who are interested in enhancing the district's educational programs;
  - 7) Action to be taken upon dissolving or suspending booster club.
  - 8) Establishment of a quorum for both association and board meetings.
  - 9) Establish the process for amendments
  - 10) Establish the process for audits.
  - 11) The annual registration with the campus principal of officers.
- For additional information, see [Appendix B: Example of Booster Club Bylaws](#).

## **Electing Booster Club Officers**

### **Role of the Nominating Committee**

A nominating committee is formed from the organization's members and Organization Sponsor 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 Organization Sponsor, Campus Principal, and district Athletics or Fine Arts director. The outgoing secretary of the organization will turn records and historical documents over to the incoming officers within thirty (30) days of the election. The new treasurer will take possession of financial records within thirty (30) days after the election and only after the financial records have been audited. Records should be kept for a period of ten (10) years for audit purposes.

### **Role of Booster Club Officers**

At a minimum, the booster organization shall elect the following officers on an annual basis. Each officer should receive a printed copy of the Booster Club Guidelines. Individuals elected to officer positions in a Booster Club must have a child actively involved in the program the Booster Club supports during the school year they would be elected to serve.

- A Parent/ Booster Club must have a President and Treasurer in order to operate. One person cannot do both responsibilities since these positions act as a check and balance and provide good internal controls.
- A Parent/Booster Club cannot have spouses or family members hold the office of President and Treasurer at the same time.
- The term of office for the Treasurer should be limited to two (2) years. Because some Parent / Booster Clubs may have difficulty in filling this position, the Parent/ Booster Club can vote to extend the position to a third term if evidence is provided that shows the Treasurer has fulfilled their duties, such as submitting required information to the Principal / Sponsor, the IRS, and the Texas Comptroller's Office.
- The duties of the officers should be delineated in the bylaws of the organization.

### **PRESIDENT**

Typically, the president of Booster Club is an individual who has previously been active in the organization. Primary duties include, but are not limited to:

- Preside at all meetings of the Booster Club.
- Regularly meet with the Organization Sponsor regarding Booster Club activities.
- Resolve problems in the membership.
- Regularly meet with the treasurer of the organization to monitor the organization's finances.

- Select a designee to receive bank statements through the mail. This individual shall not be a signer on the account. Upon receipt, the designee should review the activity on the bank statement and canceled checks for reasonableness. This provides an independent review by an individual not associated with disbursement activity. Suggested designees could be, but not limited to, a board member, Organizational Sponsor, or school secretary.
- Schedule annual audit of records or request an audit if the need should arise during the year.
- Submit Booster Club Checklist and Administrative Regulations to the Organization Sponsor.
- Sign all contracted agreements and contracts for 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.

## **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.
- Record if quorum was established.
- Conduct and report on all correspondence on behalf of the organization.

For more information, see [\*\*Appendix C: Taking Organizational Meeting Notes\*\*](#)

## **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 the action of the association. *Employees of the District shall not serve in the financial capacity of a booster or other parent organization.* The term of office for the Treasurer should be limited to two (2) years. Because some Parent / Booster Clubs may have difficulty in filling this position, the Parent/ Booster Club can vote to extend the position to a third term if evidence is provided that shows the Treasurer has fulfilled their duties, such as submitting required information to the Principal / Sponsor, the IRS, and the Texas Comptroller's Office.

Financial capacity includes holding positions as treasurer, fund-raising chairperson, or serving as a check signer.

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 weekly (daily if receipts on hand exceed \$250.00).
- Present a current financial report at all regular meetings of the organization and board and submit reports to the Organizational Sponsor and Campus Principal.
- Maintain an accurate and detailed account of all monies received and disbursed.
- Sign all checks.
- 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** on time.
- Furnish **IRS Form 1099 MISC** to those individuals, businesses, etc. when the amount paid (typically greater than \$600) is required to be reported to the IRS.
- Submit a copy of amended bylaws to IRS when sending in Form 990.
- Submit records to the audit committee at the end of the year.

### **IRS Form 1099 MISC Requirements**

IRS Guidelines require that all payments for services in excess of \$600.00 made to an individual by a Booster Club be reported on a form 1099 on an annual basis. The Booster Club must 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 Booster Club must then issue a Form 1099 to all qualifying vendors performed in the calendar year by January 31<sup>st</sup>.



## **Booster Club Finances**



### **Fundraising**

Providing financial assistance for the purchase of additional equipment, instruments, banquets or supplies is one of the most valuable roles of a Booster Club. Although suggestions and recommendations are welcomed for how funds should be spent, use of funds raised by a Booster Club is ultimately determined by the Organization Sponsor and Campus Principal.

Before beginning any fund-raising activity, the president or designated representative of a Booster Club must submit a written proposal to the Organization Sponsor that details the time period for the fund drive, the method by which the funds will be raised, whether or not students will be directly involved in the fund-raising and if so, how much student time will be involved as well as if it is a tax-exempt sale. The Organization Sponsor will review the proposal and meet with the Booster Club sponsor or representative to discuss any questions or concerns, including suggestions or recommendations for changes to the proposal. The Organization Sponsor will review all fundraising proposals and gain campus approval before engaging in any fundraising activity.

Administration will ordinarily not authorize Booster Club fundraising activities that occur at school and potentially interfere with or detract from instructional time or that will require excessive student time outside of school. A Booster Club's ability to sell anything on campus must be scheduled in advance with the Organization Sponsor and Campus Principal. Only fundraising activities that have received the administration's written authorization may be conducted using the school name or mascot/logo.

It is the policy that funds received from Booster Club fundraising activities be used to benefit the students and schools in an appropriate way. Fundraising projects for parental groups shall be:

- For the educational benefit of the student, coordinated through the Organization Sponsor.
- For the specific project as identified in the current approved booster budget and not simply 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.

### **IRS Regulations on Fundraising**

The IRS prohibits tax-exempt organizations from **requiring** people to participate in fundraisers. Likewise, schools may not **require** an amount to be "donated" in place of participating in a fundraiser. People **may choose** whether or not to participate in a fund-raiser and may choose whether or not to donate. Furthermore, if a person decides not to participate, that person cannot be excluded from having the opportunity to benefit from the fundraiser and cannot be penalized in any way for choosing not to participate in the fundraiser.

Furthermore, benefits given by a tax-exempt organization cannot be based on participation in a fundraiser or based on revenues raised individually. Therefore, whether a person participates in a fundraiser and regardless of the amount of revenue raised, that person cannot be denied the opportunity to receive an equal benefit.

Example:

*The Cheerleading Club is having a car wash fund-raiser to help reduce the cost of a trip to Florida for a competition. The cost of the trip is \$20,000 for 20 people. Therefore, each person's cost for the trip before the fundraiser is \$1,000.*

*Of the 20 people participating in the trip, only 10 people participate in the fund-raiser and raise a total of \$600.*



*The \$600 must be split equally among the 20 people going on the trip, even though only 10 people participated in the fund-raiser. Therefore, each person receives a benefit of \$30 (\$600 /20). Now, each person's cost for the trip is \$970 (\$1,000 - \$30).*

Consequently, the IRS prohibits the use of individual accounts for fundraisers. As stated above, fundraising revenues must benefit the group as a whole, not its individual members.

**“Individual accounts” are those accounts used to credit an individual with revenues raised. These accounts are used to benefit the individual by offsetting that individual's expenses with the amount credited to the individual from the revenues raised.**

Before beginning any fund-raising activity:

- The Booster Club must submit a written proposal to the Organization Sponsor that details the time period for the fund drive, the method by which the funds will be raised, whether or not students will be directly involved in the fund-raising and if so, how much student time will be involved as well as if it is a tax-exempt sale
- The Sponsor will submit to the Principal for their final approval.

The Administration will ordinarily not authorize Booster Club fundraising activities that occur at school and potentially interfere with or detract from instructional time or that will require excessive student time outside of school.

Normally, all members of the organization would benefit from any activity being paid by the group. However, in some instances, the group may want to have certain criteria met for a benefit to be given to a member or group. For example, a person may be able to attend a particular competition and have the group pay for a certain amount of the cost if the person had attended 80% of the practices and had participated in at least two service projects. Some groups may base the criteria on service points. For example, a person may receive a point for each practice or special event attended. However, criteria should not be based on participation in fundraisers according to IRS regulations. Remember, if criteria to attend a particular event are established, exceptions cannot be made because your best performer did not meet the criteria.

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

## **Raffles**

Booster Clubs are permitted to hold raffles within guidelines from the office of the state's Attorney General. Please review [Appendix E: Raffle Guidelines](#) for information.

## Accounting

A Booster Club must establish and maintain a bank account in its own name and keep track of all revenues and expenses related to the Booster Club's activities. This account is not a school account and is not subject to audit by the district's internal or independent auditors.

*Each Booster Club must file a copy of the adopted audit annually to the Organizational Sponsor and Campus Principal on or before the 60<sup>th</sup> day after the last day of school. These statements are available for inspection to any person who submits a written request to the District.*

## Banking Information

To open a bank account, the Booster Club must first obtain an Employer Identification Number (EIN) from the IRS. (See Tax 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 the signer on Booster Club bank accounts for their own campus or programs they are the sponsor.** All funds received should be receipted and deposited on a weekly basis. Combining 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 Organization Sponsor and Campus Principal.

## 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.

## Cash Receipt Procedures

All cash collections received by the Booster Club for fees, dues, fundraising, etc. must be deposited upon receipt. All funds must be supported by some type of record documenting the source and amount of funds and verified by two (2) people. 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:

## **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
- General Ledger

## **Disbursement of Funds**

At the outset of the school year, a budget of anticipated income and 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 a permitted use of Booster Club funds. Also, the purchase of alcoholic beverages or tobacco products is not permitted.

## **Petty Cash**

A Booster Club 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 or Organization Sponsor 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.

Booster Clubs may establish a change fund to support fundraising events. Funds should be noted in the final tabulation of monies collected for the event.

## **Audit Instructions**

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. 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. 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).

For further information, see [Appendix D: Audit Committee Guidelines](#)

## Sales Tax

Booster Clubs are generally not exempt from state sales tax laws. A Booster Club can sell tickets to an annual banquet or food sale without collecting sales tax, provided the members prepare, serve, and sell the food. Booster Clubs may also sell meals and food products (including candy and soft drinks) without collecting sales tax when all the net proceeds of the sale go to the Booster Club for its use in supporting school activities. Booster Clubs are responsible for obtaining necessary information from the Texas Comptroller of Public Accounts to make sure that they are collecting and accounting for state sales tax when that collection is required. You may obtain additional information on state sales tax requirements online at [www.cpa.state.tx.us](http://www.cpa.state.tx.us)

## Financial and Legal Responsibility

The school and/or district are not liable or responsible for any contracts or expenditures made by a Booster Club. Agreements for the purchase of goods to be resold for fundraising are the responsibility of the Booster Club entering the agreement, including snack foods and drinks purchased for re-sale at concession stands during athletic events. **Booster Clubs are strongly encouraged to obtain legal assistance before authorizing or signing any agreement or contract in the Booster Club's name.** The district will not expend school district funds to pay any amounts due under such agreements or to represent a Booster Club in any legal action that may arise from the Club's activities. The President should be the designated signer of all agreements and contracts that have been approved by the Booster Club.

## Liability Insurance

Booster Clubs should seriously consider the purchase of liability insurance to protect the organization and its members. Coverage to be considered should include general liability, officer's liability, business personal property (if the organization owns property), and fidelity (otherwise known as bond) coverage. The cost of the insurance varies depending on the amount of coverage, but is generally reasonable. Insurance underwriters for Booster Clubs, in most cases, require an annual audit/review to be performed by the organization and must have a procedure in place to have bank statements and reconciliations reviewed monthly by a member without check signature authority.



## Booster Club Meetings

BISD recommends Booster Clubs hold at least quarterly meetings, but the schedule for meetings is a Booster Club decision.



All membership meetings shall be public, and the Organization Sponsor must be in attendance.

The conduct of Booster Club meetings is under the control of the Booster Club and its bylaws, which should provide for discussion and decision-making in an orderly fashion that recognizes the importance of treating participants in the meeting with respect and civility.

Meetings can be publicized in the school announcements and must be open to any resident of the community who wishes to attend.

Other methods of publicizing Booster Club meetings are at the discretion of the Booster Club; however, distribution in school mailboxes or to students through classroom teachers is not permitted.

As stated in the UIL Booster Club Guidelines, Clubs should have minutes of every meeting that show what issues were discussed and what decisions were made.

The Superintendent Designee may ask any Booster Club to send a copy of Booster Club minutes for review after each meeting.

It is recommended that a financial report is presented at each membership meeting.



## **Working with Organization Sponsor**

Booster Clubs are support organizations. Organization Sponsors of extracurricular activities are school employees. Organization Sponsors are answerable only to their immediate supervisors and ultimately to the Superintendent, who has sole and final authority in the district for all UIL activities, and the Board of Trustees, which has final authority in matters related to extracurricular activities that are not affiliated with UIL.

Organization Sponsors should be present at any Booster Club meetings so that they can provide any information the Club may need to operate efficiently and appropriately and so that the Organization Sponsor will be fully informed about Booster Club plans and activities. An Organization Sponsor serves as an advisor in regard to Booster Club discussions. Booster Clubs do not have any authority over an Organization Sponsor's decision about the operation of the organization.

Most communication between Booster Clubs and school staff can and should take place at the Booster Club Meetings. Individual members of Booster Clubs who have students in the organization may schedule meetings with the Organization Sponsor for discussions that are specifically related to their own child's progress or conduct. These meetings must be scheduled during the Organization Sponsor's conference period and are treated like any other parent-teacher conference.

The parents' relationship to or position in a Booster Club must not be used to threaten, intimidate, or otherwise improperly influence any employee's performance of his or her primary duties in the school district which include teaching students the essential knowledge and skills of the district's approved curriculum and his/her performance of duties related to the activity. Any violation of this requirement will endanger the Booster Club's ability to continue as an authorized Booster Club working for the benefit of the program or activity.

A Booster Club member who has a complaint about an Organization Sponsor must follow the district's established complaint policies to bring that matter to the attention of the employee and his or her supervisor. The campus principal will provide copies of those policies upon request.

## **FIELD TRIPS AND TRANSPORTATION**

### **School-Sponsored Field Trips**

Field trips must be approved through the district approval process and student participants must comply with all school requirements including a current parent consent form on file with the Organization Sponsor. All students and adult sponsors or chaperones must ride in transportation provided by the district. If circumstances arise making it necessary for parents or other volunteers, including Booster Club members, to transport students in privately owned vehicles for a school-sponsored field trip, all drivers must provide proof to the school district of valid drivers' license and insurance that meets the minimum liability requirements of state law.

### **Other Transportation Involving Students**

Neither a Booster Club nor members of a Booster Club are agents of the school district when they transport students to activities that are not official school-sponsored field trips or extracurricular activities.

## **OTHER CONSIDERATIONS**

School Announcements can be made during the regular school day regarding school approved booster function. The Booster Club sponsor should submit announcement to the Organization Sponsor at least two days before the announcement is to be made.

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 an organization participates in will be approved in advance by the Organization Sponsor and the district administration. 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 Organization Sponsor and the Campus Principal and not by the Booster Club or any of its members. Participation in activities 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 exclusion from 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. Booster Clubs 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.

### **Top Ways to Protect Your Booster Club against Embezzlement**

- Money should never be kept at a treasurer's home.
- Two people should always count the money, and both should sign the receipt verifying the amount.
- Two signatures should be required on all checks. The Organization Sponsor should never be one of them.
- 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.
- Never sign a blank check or a check made out to "cash".
- Deposit all money in the bank as soon as possible, even if a fundraising project is ongoing.
- All bills must be paid by check, never cash.
- Conduct an annual audit of the books.



## **Appendix A**

### **RELATIONS WITH PARENT ORGANIZATIONS BISD Board Policy GE (LOCAL)**

#### **USE OF DISTRICT FACILITIES**

District-affiliated school-support or booster organizations may use District facilities with prior approval of the appropriate administrator. Other parent groups may use District facilities in accordance with policy GKD.

#### **PARENT/BOOSTER ORGANIZATIONS SUPERINTENDENT'S DESIGNEE**

The Superintendent's designee for overseeing the activities of a parent/booster organization shall be the principal of the campus where the organization functions.

In the case of athletic booster clubs, the director of athletics may serve as the Superintendent's designee in conjunction with the campus principal.

In the case of fine arts booster clubs, the director of fine arts may serve as the Superintendent's designee in conjunction with the campus principal.

1. As the responsible District employees, the principal, athletic director, and fine arts director shall:
  1. Approve formation of the organization;
  2. Approve the constitution and bylaws of each organization;
  3. Ensure that each organization's sole function is to support the educational activities of the designated program area; and
  4. Have the authority to disallow the continued association of any school program and parent/booster organization that has been judged by the principal to be disruptive to the educational activities or goals of the program or group.

#### **FACULTY LIASON (Organization Sponsor)**

The designated faculty sponsor of a student activity area shall serve as the liaison, under the supervision of the Superintendent's designee, between any parent/booster organization formed in connection with a student group and the District.



The designated faculty sponsor acting as the liaison shall:

1. Approve all student-/school-related activities of such organizations.
2. Work with such organizations to establish approved goals and student-support activities for the respective organizations.
3. Assist in setting the budgets of such organizations and ensuring that expenditures of such organizations are in direct support of the goals of the designated programs.
4. Ensure fair and appropriate officer elections and ensure that elected officers are eligible for service. The designated faculty sponsor shall file lists of officers of the respective organizations with the Superintendent's designee at the beginning of the school year and revise such lists as officers change during the school year.
5. File lists of organization activities with the Superintendent's designee at the date established by the designee. Additional activities shall be submitted at least 30 days prior to the event to aid in the development of the master calendar for the school.
6. Require an annual report of all activities, including an audit of all funds.

## **SPECIFIC GUIDELINES**

Parent/booster organizations shall function under the following guidelines:

1. The Superintendent or designee shall have veto power over any action of a school-related club or organization.
2. Parent/booster organizations shall have no authority to direct any school employee in any of his or her duties. In addition, parent organizations have no authority to guide, direct, or establish guidelines for any school or student activity.
3. All meetings of parent/booster organizations shall be public meetings.
4. All individuals who legally reside in the District or have a student who attends the booster organization's campus through the district's Open Enrollment program shall be eligible for membership. Election of officers shall be on a systematic basis so that any eligible person may be nominated. Elected officers must have a child currently enrolled at the campus served by the parent/booster organization.
5. A parent/booster organization must obtain federal tax-exempt status as a public 501(c)(3) charitable organization by applying for and obtaining a letter of determination from the Internal Revenue Service (IRS) that states the organization is exempt from federal taxes. The organization's employer identification number and a copy of the IRS's letter of determination shall be submitted to the Superintendent's designee. Such organizations may not use the District's tax identification number.
6. Parent/booster organizations shall issue receipts for all money received.
7. If any parent/booster organization disbands, ceases to operate, chooses to withdraw from association with the District, or fails to be re-approved, all funds and property of the organization shall become the property of the District.
8. Booster clubs must abide by the UIL guidelines, and the administration shall determine which organization might be considered as "booster." In order to avoid violation of the amateur rule, money given to the school shall not be earmarked for any particular request. The booster club

may suggest or recommend how it would like the money spent, but it may not require the Superintendent or designee to spend the money in any certain way.

9. Any parent/booster organization operating under these policies that, in the opinion of the school administration, does not adhere to these policies and any regulations established by the school administration may be disbanded and shall cease to be recognized by the District as a legitimate school-related club or organization.



## **Appendix B**

### **Example of Booster Club Bylaws and Articles of Incorporation**



**BYLAWS OF THE BIRDVILLE BAND BOOSTERS, INC.  
A NONPROFIT CORPORATION  
6125 East Belknap  
Fort Worth, TX 76117**

#### **Article I. OFFICES**

##### **Section 1.01 Principal Office**

The principal office of the corporation in the state of Texas shall be located in the city of Fort Worth, county of Tarrant. The corporation may have such other offices, either within or without the state of Texas, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

##### **Section 1.02 Registered Office and registered Agent**

The corporation shall have and continuously maintain in the state of Texas a registered office, and a registered agent whose office is identical with such registered office as may be, but need not be, identical with the principal office of the corporation in the state of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

#### **Article II. MEMBERS**

##### **Section 2.01 Classes of Members**

The corporation shall have one (1) class of members. The designation of such class and the qualification and rights of the members of such class shall be as follows: Members of the Haltom Area Band Friends, the Haltom High School Band Director, the Richland Area Band Boosters, the Richland High School Band Director, the Birdville United Band Boosters, the Birdville High School Band Director, and the Director of Fine Arts of the Birdville Independent School District, Tarrant County, Texas.

**Section 2.02 Election of Members**

Members shall be elected by the Haltom Area Band Friends, the Richland Area Band Boosters, and the Birdville United Band Boosters, and additional members may be elected by the Board of Directors by an affirmative vote of the majority of the Board of Directors.

**Section 2.03 Voting Rights**

Each member shall be entitled to one vote on each matter submitted to a vote of the members.

**Section 2.04 Termination of Membership**

The Board of Directors, by affirmative vote of two-thirds of all of the members of the Board, may suspend or expel a member for cause after an appropriate hearing and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who for cause deemed so by the membership.

**Section 2.05 Resignation**

Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any assessments, or other charges theretofore accrued and unpaid.

**Section 2.06 Reinstatement**

Upon written request signed by a former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of two-thirds of the members of the Board, reinstate such former member to membership on such terms as the Board of Directors may deem appropriate.

**Section 2.07 Transfer of Membership**

Membership in this corporation is nontransferable or assignable.

**Article III. MEETINGS OF MEMBERS**

**Section 3.01 Annual Meeting**

An annual meeting of the members shall be held by the last day of June of the current fiscal year, for the purpose of the transaction of business as may come before the meeting.

**Section 3.02 Special Meeting**

Special meeting of the members may be called by the Chair of the Board of Directors.

**Section 3.03 Place of Meeting**

The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting, regular meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the corporation in the State of Texas; but if all of the members shall meet at any

time and place, either within or without the State, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and as such meeting, any corporate action may be taken.

#### **Section 3.04                      Notice of Meetings**

Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail or e-mail, to each member entitled to vote at such meeting, not less than ten (10) or more than fifty (50) days before the date of such meeting, by or at the direction of the Chair, or the Secretary. In case of a special meeting or when required by statute, or these bylaws, the purpose or purposes for which the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

#### **Section 3.05                      Informal Action by Members**

Any action required by law to be taken at a meeting of the members or any action which may be taken at a meeting of the members may be taken without a meeting, if a consent in writing, setting for the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

#### **Section 3.06                      QUORUM**

The members holding seven (7) of the votes which may be cast at any meeting shall constitute a quorum at such meeting, with each school having a representative. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting without further notice.

### **Article IV.                      BOARD OF DIRECTORS**

#### **Section 4.01                      General Powers**

The affairs of the corporation shall be managed by its Board of Directors. The corporation shall operate on a fiscal year/school term basis, beginning on August 1<sup>st</sup> of each year and concluding on July 31<sup>st</sup> of the next succeeding year. The officers will operate on a school term basis, beginning on June 1<sup>st</sup> through May 31<sup>st</sup> of the following year. During those term years of the corporation beginning in the term year 2001/2002, the Board of Directors shall consist of: the President and First Vice-President of the Richland Area Band Boosters, one (1) person designated by that organization; the President and First Vice-President of the Haltom Area Band Friends and one (1) person designated by that organization; the President and First Vice-President of the Birdville United Band Boosters and one (1) person designated by that organization; the Band Director from Haltom High School, Richland High School and Birdville High School, and the Director of Fine Arts of the Birdville Independent School District. The Chair of the Board of Directors shall appoint one (1) additional designated member to serve on the Board of Directors that year. During the term year 2001/2002 the Chair of the Board of Directors shall be the President of the Haltom Area Band Friends. In subsequent term years, the Chair and the additional designated member shall be passed next to the President of the Birdville United Band Boosters and then to the President of the Richland Area Band Boosters, returning the Chair and the additional designated member to Haltom Area Band Friends in continuous rotation.

**Section 4.02                      Number, Tenure, and Qualifications**

The number of directors shall be fourteen (14). Each Director shall hold office until the next annual meeting of the members and until his successor shall have been designated and qualified.

**Section 4.03                      Action of Members**

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these bylaws.

**Section 4.04                      Vacancies**

Any vacancy occurring on the Board of Directors shall be filled by the entity, either the Birdville United Band Boosters, the Haltom Area Band Friends, or the Richland Area Band Boosters, selecting the Director who has vacated his post. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

**Section 4.05                      Compensation**

Directors as such shall not receive any stated salaries for their services, but nothing herein contained shall be construed to preclude any Director from the corporation in any other capacity and receiving compensation therefore.

**Article V.                      OFFICERS****Section 5.01                      Officers**

The officers of the corporation shall be a Chair, a Vice Chair, a Secretary/Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. During the term year 2001/2002, the Office of Chair shall be held by the President of the Haltom Area Band Friends. In subsequent term years the office of Chair shall be passed next to the President of the Birdville United Band Boosters and then to the President of the Richland Area Band Boosters, returning the office of Chairperson to Haltom Area Band Friends in continuous rotation. During the term year 2001/2002, the Office of Vice Chair shall be held by the President of the Birdville United Band Boosters. In subsequent term years the office of Vice Chair shall be passed next to the President of the Richland Area Band Boosters and then to the President of the Haltom Area Band Friends, returning the office of Vice Chairperson to Birdville United Band Boosters in continuous rotation. During the term year 001/2002, the Office of Secretary/Treasurer shall be passed next to the President of the Haltom Area Band Friends and then to the President of the Birdville United Band Boosters, returning the office of Secretary Treasurer to Richland Area Band Boosters in continuous rotation.

**Section 5.02                      Election and Term of Office**

The officers of the corporation shall take office immediately following the regular annual meeting of the Board of Directors. If election of those officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. New officers may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall be duly appointed and qualified.

### **Section 5.03                      Removal**

Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice of the officer so removed.

### **Section 5.04                      Vacancies**

A vacancy in the office of Chair or Vice Chair because of death, resignation, disqualification, or otherwise, may be filled by the BISD Band Boosters, Inc., or the Richland Area Band Boosters, or the Birdville United Band Boosters, or the Haltom Area Band Friends, which has authority to designate such officer. A vacancy in any other office may be filled by the Board of Directors for the unexpired portion of the term.

### **Section 5.05                      Chair**

The Chair shall be principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He or She shall preside at all meetings of the members and of the Board of Directors. He or She may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws or by statute to some other officer or agent of the corporation; and in general he or she shall perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board of Directors from time to time. The Chair's term shall be for one (1) year.

### **Section 5.06                      Vice Chair**

In the absence of the Chair or in the event of his or her inability or refusal to act, the Vice Chair shall perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall perform such other duties as from time to time may be assigned to him or her by the Chair of the Board of Directors.

### **Section 5.07                      Secretary/Treasurer**

The Secretary/Treasurer shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these bylaws or as required by law; be custodian of the corporate records; keep a register of the post office address of each member which shall be furnished to the Secretary by each member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Chair of the Board of Directors.

The Secretary/Treasurer shall be responsible as the overseeing agent, for all funds and securities of the corporation and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Chair of the Board of Directors.

## **Article VI.**

## **COMMITTEES**

### **Section 6.01 Committees of Directors**

The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees to the extent provided in said resolution shall have and exercise the authority of the Board of Directors in the management of the corporation. However, no such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing the bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease exchange, or mortgage of all or substantially all of the property and assets of the corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or him by law.

### **Section 6.02 Other Committees**

Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present.

### **Section 6.03 Term of Office**

Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until his successor is appointed, unless the committee member shall be sooner terminated, or unless such member be removed from such committee or unless such member shall cease to qualify as a member thereof.

### **Section 6.04 Chair**

One (1) member of each committee shall be appointed chair by the person or persons authorized to appoint the members thereof.

### **Section 6.05 Vacancies**

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

### **Section 6.06 Quorum**

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

### **Section 6.07 Rules**

Each committee may adopt rules for its own governance not inconsistent with these bylaws or with the rules adopted by the Board of Directors.



## **Article VII. CONTRACTS, CHECKS, DEPOSITS, AND FUNDS**

### **Section 7.01 Contracts**

The Board of Directors may authorize any officer or officers, agent or agents, of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

### **Section 7.02 Checks and Drafts**

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Accounts Payable Clerk or signed by the Director of Fine Arts.

### **Section 7.03 Deposits**

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

### **Section 7.04 Gifts**

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or device for the general purposes or for any special purpose of the corporation.

## **Article VIII. BOOKS AND RECORDS**

### **Section 8.01 Books and Records**

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors. The corporation shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and record of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

## **Article IX. FISCAL YEAR**

### **Section 9.01 Fiscal Year**

The fiscal year/term year of the corporation shall begin on the first day of August and end on the last day of July in each following year.

## **Article X. WAIVER OF NOTICE**

### **Section 10.01 Waiver of Notice**

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, a waiver

thereof in writing and signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to giving of such notice.

**Article XI.           AMENDMENTS TO BYLAWS**

**Section 11.01           Amendments to Bylaws**

These bylaws may be altered, amended, or repealed and new bylaws may be adopted by a majority of the members present at any regular meeting or at any special meeting, if at least two (2) days written notice is given on an intention to alter, amend, or repeal these bylaws or to adopt new bylaws at such meeting.

## Appendix C

# Taking Organizational Meeting Notes

The purpose of taking minutes is to protect the organization and the people who participate in the meeting. The minutes are not intended to be a record of discussions, nor serve as a newsletter for the organization. Recent court decisions support this.

In the case, Multimedia Publishing of NC v. Henderson County, the court noted, "the purpose of minutes is to provide a record of the actions taken by a board and evidence that the actions were taken according to proper procedures. If no action is taken, no minutes (other than a record that the meeting occurred) are necessary."

In another case, Maready v. City of Winston-Salem, the court wrote, "generally, the minutes should contain mainly a record of what was done at the meeting, not what was said by the members. Their purpose is to reflect matters such as motions made, the movant, points of order, and appeals - not to show discussion or absence of action." This decision highlights what association counsel frequently emphasize when advising association executives regarding minutes - they should be kept as brief as possible, and should only reflect action taken at the meeting.

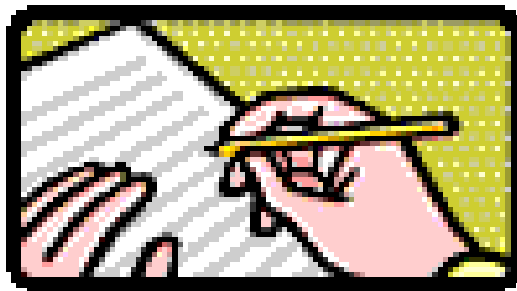
These guidelines will help volunteers and staff members take minutes that will protect the organization.

- ✓ Accurate minutes should be kept for all official meetings, including committee and chapter meetings.
- ✓ Organizational minutes are public record. Executive board meeting minutes are confidential.
- ✓ Minutes should be a record of what was considered and accomplished at a meeting, not a record of conversations, reports and work assignments. They should not include sidebar conversations, if they occur.
- ✓ Minutes should indicate the place, date and time of the meeting and the names of all participants at the meeting, including persons arriving late or leaving early, guests and staff.
- ✓ The ultimate legal importance of meeting minutes can be substantial if antitrust, tax, advocacy or other legal issues are raised in litigation or some other context. (In several antitrust cases, recollections by those who attended meetings were disregarded in the face

of the official minutes.) Include a statement in the minutes about distribution of financial reports and approval or corrections to prior minutes.

- ✓ From time to time, minutes may contain self-serving statements to protect the organization, for example, "An antitrust avoidance statement was read and distributed to the board." This is to the advantage of the organization.
- ✓ Drafts of minutes, notes and audio or video recordings should NOT be retained in the organization's files once the minutes are approved. The chief elected officer and staff must be sure they are discarded. The organization should have a policy about who may create audio and video recordings.
- ✓ Distribute minutes within a reasonable time following the meeting to those who attended, those who were supposed to be at the meeting and then safeguard them in the permanent files of the organization. If you distribute minutes electronically, be sure your bylaws and corporate laws permit this.
- ✓ Consider asking legal counsel to review minutes before they are distributed to be certain no liability is created for the associati

**Note:** Robert C. Harris, CAE; [www.nonprofitcenter.com](http://www.nonprofitcenter.com)





## Appendix D

### Audit Committee Guidelines

Each Booster Club is required to have an audit committee conduct an annual review of the Financial Report and the related financial activity for the school year. *The Treasurer (and Assistant Treasurer, if applicable) **should not be on the audit committee.*** The audit committee must prepare a written Audit Committee Report that communicates the results of the audit to the members at the next regular meeting.

The following suggested guidelines are designed to assist the audit committee in conducting a thorough review of the Booster Club's financial report and activity for the applicable school year.

- Make sure the beginning balance agrees to the balance on hand per the last audit report.
- Review the 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 and that no information on the face of the check has been altered;
  - Checks have been accounted for in the proper sequence (no missing checks); and
  - Checks have two signatures and are not being signed by the payee.
- Verify deposits are made in a timely manner by reviewing the dates of fund raisers. Check to see that cash was counted by two people.
- Verify that receipts and disbursements were recorded to the correct account category
- Verify that bank reconciliations are done monthly and check accuracy.
- 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.
- Verify that IRS Form 1099 MISC were issued if applicable.
- Verify that IRS Form 990 has been submitted in a timely manner.
- Determine if booster club had an obligation to collect sales tax. If so, make sure returns were filed timely and accurately.
- Verify that money collected for a designated purpose was spent only for that purpose.
- Check the minutes to verify the budget and all amendments were adopted.



- If there are irregularities, the committee should take the following steps:
  - Contact the treasurer for additional records or information;
  - Contact the Booster Club President if the matter cannot be settled to the committee's satisfaction; and
  - Contact the Campus Principal for further assistance.



## APPENDIX E

### GUIDELINES FOR CONDUCTING A RAFFLE

(<https://www.oag.state.tx.us/consumer/raffle.shtml>)

#### Charities & Nonprofits: Charitable Raffles

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

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

In general, a qualified organization is:

- a. A nonprofit association organized primarily for religious purposes that has been in existence in Texas for at least 10 years;
- b. A nonprofit volunteer emergency medical service that does not pay its members other than nominal compensation;
- c. A nonprofit volunteer fire department that operates fire-fighting equipment, provides fire-fighting services, and does not pay its members other than nominal compensation; or
- d. A nonprofit organization that has existed for at least three preceding years and is exempt from federal income tax under Section 501(c), Internal Revenue Code; does not distribute any of its income to its members, officers or governing body; does not devote a substantial part of its activities to attempting to influence legislation; and does not participate in any political campaign.

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

#### Prizes Offered and Proceeds from Ticket Sales

A qualified organization may offer any prize except money. "Money" is defined as coins, paper currency, or a negotiable instrument that represents and is readily convertible to coins or paper

currency. If the raffle organizers offer a prize which they have purchased or have given other consideration for, the value of the prize may not exceed \$50,000, or \$250,000 if the purchased prize is a residential dwelling. There is no value limit on prizes donated to the organization.

Texas lottery tickets may be purchased and offered as prizes, even though the tickets' payoff may exceed \$50,000. The organization must have each raffle prize in its possession or ownership or must post a bond for the full amount of the value of the prize with the county clerk of the county where the raffle will be held.

Proceeds from ticket sales must be used only for the charitable purposes of the qualified organization.

### **Restrictions**

A qualified organization is not required to register with the State before conducting a raffle. However certain restrictions apply.

- A qualified organization may hold only two raffles per calendar year and only one raffle at a time.
- Raffle tickets may not be advertised statewide or through paid advertisements. Each raffle ticket must state: 1) the name of the organization conducting the raffle; 2) the address of the organization or of a named officer of the organization; 3) the ticket price; 4) a general description of each prize having a value of more than \$10; and 5) the date on which the raffle prize(s) will be awarded.
- No one may be compensated directly or indirectly for organizing or conducting a raffle or for selling raffle tickets.

### **Penalties and Enforcement**

Only raffles held according to the terms of the Charitable Raffle Enabling Act are authorized raffles. The law is Chapter 2002, Occupations Code, Texas Codes Annotated.

An unauthorized raffle is considered gambling under the Texas Penal Code. Conducting such a raffle is a Class A misdemeanor. Participating in an unauthorized raffle is a Class C misdemeanor.

A county attorney, district attorney or the attorney general may bring an action in state court to stop a violation or potential violation of the Charitable Raffle Enabling Act.

Please understand that this office cannot advise you about whether a proposed raffle would be authorized under the law. If you have specific questions about the law, you should consult a private attorney.