



FISD BOOSTER CLUB / PTO TRAINING

2021-2022

BEFORE WE BEGIN ...

- Will work through manual together.
- Manual page numbers are on the slides.
- Ask questions as they arise.
- The manual is a fluid document. If guidelines change, we will make an amendment.
- The manual is posted to the Booster Club/PTO section on the Finance Department webpage.

RESOURCES - PG 3

IRS (Internal Revenue Service)

IRS Exempt Organization (EO) hotline	877-829-5500
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|-------------------------------------------------------------------------------------------------------------|--|
| <ul style="list-style-type: none">· EIN or Exempt status verification· Tax questions | |
|-------------------------------------------------------------------------------------------------------------|--|

Texas Comptroller's Office

General questions – Sales tax number, Filing help, Exemption	800-252-5555
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WebFile help – WebFile number, login	800-442-3453
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Franchise Tax help	800-252-1381
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University Interscholastic League

UIL Booster Club Contact	policy@uiltexas.org	512-471-5883
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CALENDAR - PG 4

2021	<i>Month</i>	<i>Day</i>	<i>Item due</i>
	September	1	Audit packets due to Accountant via fax, email or mail.
	October	20	Quarterly sales tax due to Texas Comptroller's Office (3 rd quarter) ⁽¹⁾
	November	15	Form 990-N (e-postcard), 990-EZ or 990 due to IRS ⁽²⁾
	December	NOTHING DUE	

CALENDAR - PG 4

2022	Month	Day	Item due
	January	20	Quarterly sales tax due to Texas Comptroller's Office (4 th quarter) ⁽¹⁾ ---or---- Annual sales tax due to Texas Comptroller's Office ⁽¹⁾
	February		NOTHING DUE
	March		NOTHING DUE
	April	20	Quarterly sales tax due to Texas Comptroller's Office (1 st quarter) ⁽¹⁾
	May	15	Franchise tax due to Texas Comptroller's Office ⁽³⁾
	June		NOTHING DUE
	July	20	Quarterly sales tax due to Texas Comptroller's Office (2 nd quarter) ⁽¹⁾
	August		District held annual Booster Club training
	September	1	Audit packets due to Accountant via fax, email or mail.

CALENDAR - PG 4 CONT.

- Notations

- (1) Clubs either file quarterly or annual sales tax. Check with your predecessor on how the club files. Please call the Texas Comptroller's Office with any questions.
- (2) Federal taxes are due 15 days after the 5th month of the club's year end. The majority of clubs have a year-end of June 30, which calculates to a due date for federal taxes of November 15.
- (3) Tax-exempt organizations should not have to file Franchise Tax. If the club receives a notice to file, please log into WebFile and file for the year. Afterwards, please call Nick Scarpa for information on removing this requirement via Form AP-204.

DEFINITION OF ROLES - PG 9

Members

- Work with coach or sponsor

- Members cannot direct the activities of a coach or sponsor

Sponsor or Coach

- Liaison between you and the school

- Should work with you during budget time

District Administration

- Approves new booster clubs

- Has the option to dissolve booster club for in supportability

- FISD may audit booster club at any time

BYLAWS - PG 7

- Operating rules of club
- Will help resolve or avoid conflict
- May need to be updated as circumstances arise
 - What happens if President resigns?, etc.
- Accountant does not need to see every year unless a change has been made

STUDENT PRIVACY / SOCIAL MEDIA - PG. 25

- Respect parents and student's privacy
- Establish media release
- Social media etiquette is expected of all parents
- Principal will step in if violations are brought forth

BACKGROUND CHECKS



Friendswood ISD

[DIRECTORY](#) [CANVAS](#)

[SKYWARD](#)



[EXPLORE FISD](#)

[DEPARTMENTS](#)

[PARENTS AND STUDENTS](#)

[STAFF](#)

[COMMUNITY](#)

VOLUNTEERS

Volunteers are an integral part of what makes FISD such a great district!

Friendswood ISD utilizes Volunteer Tracker for managing volunteers. Volunteers are able to select schools where they wish to serve, identify activities that they wish to participate in and will be the first to be notified when volunteer opportunities arise in each of the areas selected.

In an effort to maintain the safety of our students, FISD requires ALL Volunteers/Chaperones to complete an annual criminal history background check. New volunteers seeking approval will need to create a Volunteer Tracker profile and submit an application. Existing volunteers that already have a profile will be asked to renew annually via email.

**SET UP YOUR VOLUNTEER
PROFILE NOW**

**Volunteer approval can take up to 72 hours, please plan accordingly.*

THREE BUCKETS OF MONEY – PG. 14

- General Fund
- Activity Fund
- Booster Account

GENERAL FUND

- Money is allocated each year by Department or Campus
- Used for general needs of program
- Use it or lose it. Balance does not roll into next year

ACTIVITY FUND

- Money is NOT allocated by Principal or Department Head
- Funded primarily by fundraisers or Booster Club donations
- Coach/Sponsor controls the use of funds through a District purchase order or check request
- Balances roll from year to year
- Activity Funds cannot reimburse Booster Clubs – TEA RULE

BOOSTER ACCOUNT

- Exclusively Used by Booster Club
- Coach or Sponsor cannot be a signer
- Boosters control use of money
- If club dissolves; all money must go back to the program at the school

ACTIVITY FUNDS – PG. 15

- Manual (pg. 15) includes list of what school must buy vs. Booster Club/PTO may purchase
- Donated money goes directly to the program and the school controls payments of invoice

DIRECT FUNDING

- Boosters/PTOs pay invoices directly
- Make sure you are clear that the invoice is for the Booster Club/PTO and NOT for FISD
- Avoid sending invoices to campus unless you donate money to campus

BANKING – PG. 17

- Booster Club/PTO name on checks...not campus name
- Bank statements should be reconciled within 30 days
- Two signers are recommended
- FISD employees CANNOT be check signers. FISD policy
- Change signers immediately after elections
- Refer to bylaws for additional guidance

CASH HANDLING GUIDELINES – PG. 21-22

Receiving Money

- Receipt should be given

- Two members should verify all deposits under dual signature

- Deposit funds immediately in to Booster Club/PTO bank account

- Booster Club funds should NEVER be deposited into personal bank accounts

Disbursing Money

- All checks should be supported by an invoice

- Blank/signed checks should not be given

- Two signatures on checks, best practice

SAFEGUARDING MONEY – PG. 22

- Do not keep Booster Club/PTO funds in a car, unlocked drawer, or any other unsecure place
- District will NOT replace stolen funds
- Money received and not yet deposited should not be used for personal purchases, check cashing, loans, etc.

E-COMMERCE: ACCEPTING CREDIT CARDS – PG. 19

- Okay to use Square, PayPal, Venmo, etc.
- Discounts available for 501c3 status
- Save receipts!

The background is a blue gradient. In the corners, there are white line art designs resembling circuit boards or neural networks, with lines and small circles connecting them.

DONATIONS – PG. 17-18

OUTSIDE DONORS → BOOSTER CLUB/PTO

- Booster Club/PTO receives monetary or non-monetary donations from outside donors
- Provide tax-deductible receipt if club is tax-exempt

OUTSIDE DONORS → BOOSTER CLUB/PTO

Monetary Donation

Booster Club/PTO donates money to school to cover cost of camp, costumes, travel, etc.

Bookkeeper/Secretary should issue you a Donation Form

Non-Monetary Donations

Check with school or coach first to see if District can accept

FISD pays title and insurance on vehicles or trailers donated

Donation becomes property of District

If District needs to dispose of asset, the funds will be placed in the activity fund account

BOOSTER CLUB/PTO → ANOTHER CAUSE

- Booster Clubs/PTO may donate a small amount to local charity
 - Example – student medical fund
- However – IRS defines “not a substantial portion” may go to another cause
- Cannot donate from an Activity Fund Account
- If you host an event of which the proceeds benefit an outside cause, let your donors know

FUNDRAISING – PG. 19-20

- Principals should approve your fundraiser in advance to avoid simultaneous campaigns
- Students cannot be excluded from an activity if they do not fundraise

CROWDFUNDING – PG. 16

- Be careful and aware of fees. Many providers will offer lower rates for 501c3 entities.

RAFFLES – PG. 22-23

- The Charitable Raffle Enabling Act under the authority of the Attorney General of Texas governs raffles
- Money prohibited as prize. Money includes coins, paper currency, CD's, etc.
- May host two raffles per year if a qualified 501c3 organization
- Refer to statute and seek legal advice prior to hosting a raffle
- Bingo's are governed under the Bingo Enabling Act and are NOT permitted

SCHOLARSHIPS – PG. 25

- Not required. Offer if your club is able to provide.
- Budget accordingly.
- Be fair and consistent. Detail procedures in bylaws or scholarship applications.
- Funds should be sent directly to the university. Never to the student.
- Students who receive a “full-ride” may not be able to accept scholarship – check with university to see.

GIFTS/AWARDS – PG. 21

Coaches

Allowed \$500 per coach (even assistants) per year. Cash, gift cards, checks. See UIL guidelines.

Students

Only Seniors are allowed a \$70 gift which must be used on a memento such as a plaque or award. Award must be given after UIL eligibility no longer applies. No cash or gift cards. See UIL Guidelines

Volunteers

Money or gift cards given as a “thank you” or incentive are considered compensation per the IRS

Donations

Donated gift cards can be used in silent auction or raffle or to purchase items for the organization; not individuals

UIL

- All Booster Clubs must abide by UIL rules & Guidance.
- Annual publication available on the UIL and Finance Department websites.
- Athletics must follow athletic amateur rule.
- Coaches cannot accept cumulatively money, products. Or service exceeding \$500 per year.

AUDIT – PG. 16

- Required each year.
- Template can be downloaded from the Finance Department website.
- 2020-21 officers must complete before handover to 2021-22 officers.
- New officers should implement recommendations.
- Mail, fax, or email to Nick Scarpa, nscarpa@fisdk12.net

Booster Club Audit Packet

Booster Club Name

Date

EIN (9 digit number)

Club's estimated annual revenue (whole numbers only)

Street Address

City

State

☐ TX

Zip Code

NEW OFFICER INFORMATION (upcoming school year)

President Name

President E-mail address

Vice President Name

Vice President E-mail address

Treasurer Name

Treasurer E-mail address

Secretary Name

Secretary E-mail address

Other Officer Name

Other Officer E-mail address

Did your club file its Federal Tax Return last year with the IRS? This would be Form 990, 990-EZ or 990-N (e-Postcard).

Please attach proof of filing.

☐ Yes

☐ No

Did your club file all Sales Tax obligations (either quarterly or annually) with the Texas Comptroller's Office during the prior period? This may not be applicable if you do not have a Sales Tax Permit.

Please attach proof of filing.

☐ Yes

☐ No

☐ Not Applicable

Summarize audit findings below. If it is a clean audit, type "No Issues"

What are recommendations for the new officers to improve Booster Club operations?

Audit Committee Member Name

Audit Committee Member Name

Audit Committee Member Name

Date of Audit

CARRYOVER BALANCE – PG. 17

- A small carryover is necessary for start-up for the following year.
- No defined amount.
- Budget will help figure out how much you need.
- NOT required to distribute money to campus at the end of the year.
- Do NOT save money for future years, unless voted by members.

RECORD RETENTION – PG. 42

- IRS says keep records for 5 years.
- You can scan and keep electronic copies.
 - All taxes, all bank statements, all receipts.

DISSOLUTION OF CLUB – PG. 7

- Clubs can be shut down due to lack of support by majority vote of members or a District Administrator
- Please do not walk away!
 - File and pay all taxes
- Funds must be sent back to Activity Fund within 30 days
- Give files to coach or sponsor

ADVERTISING & SPONSORSHIPS – PG. 16

- FISD manages advertising contracts on FISD property.
- Email or call the Accountant with questions.

INSURANCE – PG. 21

- All Booster Clubs are required to hold a General Liability policy
- Send general liability certificate or insurance to Accountant each year
- Special events may require an additional coverage. Please contact your insurance agent for assistance.

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IRS — PG. 35

EMPLOYER IDENTIFICATION NUMBER

- 9 digit number - begins with any number
- Must have your own EIN – apply online
- Never use District EIN beginning in 74-600
- Just because you have an EIN **does not mean you are tax-exempt.**

REMEMBER – always use YOUR EIN. NEVER FISCAL EIN

501 C3 RULE #1 – PG. 37

Tax-exempt organizations must benefit a group as a whole instead of benefiting individual members.

All members of the student group should receive the same financial benefits.

Exception – Financial hardship

If the financial need criteria are met, the club may provide the necessary funds to allow the individual to participate, thus providing individual benefit due to special circumstances.

IRS TAX FILING REQUIREMENTS – PG. 38

- Federal tax return is due once per year
 - 4 ½ months after the booster club year end
- There are 3 different forms available for exempt organizations (990, 990-EZ, 990-N).
- The form filed is determined by the booster club's total income.

WHICH ONE TO FILE? PG. 38-40

- Form 990
- Form 990-EZ
- Form 990-N or E-postcard

FORM 990

- Large clubs with revenues of more than \$200,000
- Not many clubs file this one
- Paper form only
- Must have accountant help you.
- Very lengthy; lots of financial information requires.

FORM 990-EZ

- Medium sized clubs with revenue between \$50,000 - \$200,000*
- May be able to file 990-N based on averaging rule
- Paper form
- Requires disclosure of financial information.
- Not many clubs file this form.

FORM 990-N OR E-POSTCARD

- Most Common
- Clubs with revenues of \$50,000 or less
- Clubs with \$50,000 average over 3 yrs.
- Online only
 - Simple! No financials required.
 - Get accept/reject notice in 7 minutes.
 - If rejected, there is a reason!

990-N REJECTION REASONS

- Your club was revoked for failure to file taxes for the past 3 years.
- Exemption never got filed.
- Gross receipts are >\$50,000.
 - CALL IRS TO CORRECT

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STATE COMPTROLLER'S OFFICE – PG. 37

STATE TAX BASICS – PG. 28

- Must apply for federal 501c3 status 1st
- Must apply for state exemption 2nd
- Having a FEDERAL EXEMPTION does NOT mean the booster club has a State Exemption!
 - Form AP-204 – Application
 - Franchise Tax? If required to file, the booster club is not tax-exempt.

Texas Taxpayer ID is 11 digits

Begins with 1, 2, or 3

SALES TAX PERMIT – PG. 28

- Must apply for one online if booster club plans to host more than two taxable fundraisers per year.
- What is taxable? Page 42.
- Do not apply for one if the booster club WILL NOT host more than two taxable fundraisers per year. (Jan-Dec)
- Sales tax permits require you to file Sales Tax every quarter!

WEBFILE – PG. 32

- All state taxes filed online.
- State will not give FISC much info. You have to call!
- Must have WebFile ID (begins with XT or RT)

SALES TAX DUE DATES – PG. 33

- Taxes due quarterly; 20 days after qtr.
 - March 31 > due April 20
 - June 30 > due July 20
 - September 30 > due October 20
 - December 31 > due January 20

Missed/Late Filing: \$50 per occurrence

Can apply to file annually after 1 year of filing on time. Call the State

CHANGE OF ADDRESS

- IRS
 - Address change processed through paper form (8822-b).
 - Will not receive notification that it has been processed.
- Texas Comptroller's Office
 - Change of address processed online.
 - Will receive confirmation.
- Booster Club/PTO
 - Refrain from using campus address.
 - PO box recommended



QUESTIONS?

CONTACTS

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