

SANGER I.S.D.  
PTO/Booster Club  
General Information Guide



**The information in this guide is provided to assist District Staff and PTO/Booster Clubs in following pertinent policies and regulations and to provide suggestions for their organization.**

## PTO/BOOSTER CLUBS GENERAL INFORMATION

Parent support organizations may be formed to promote the school program or to compliment a particular student group or activity. Students enrich their education and expand their horizons when they participate in school activities and programs. Therefore, the District greatly appreciates the time, effort and financial support that the PTO/Booster Clubs provide to our students.

Even though a PTO/Booster Club works very closely with the District, it is a separate entity from the District. However, the formation of a PTO/Booster Club must be approved by the appropriate District Principal or Administrator. In addition, a PTO/Booster Club must abide by all Sanger Independent School District policies, University Interscholastic League regulations, Federal laws and Texas State laws concerning PTO/Booster Club organizations.

The **Superintendent of Schools** is solely responsible for the entire educational program including curricular and extracurricular activities. All activities, events and personnel are under the jurisdiction of the Superintendent. It is important that PTO/Booster Clubs recognize this authority and work within the framework prescribed by the school administration.

Each school **Principal** is directly responsible for all money raising activities carried on in his/her school or sponsored in any manner by or on behalf of his/her school. Parent/teacher committees or faculty/student committees should work in full cooperation with the principal and under his/her supervision in planning special programs and activities or in conducting any activity which involves the raising of money.

The **Sponsor** of a student group serves as the liaison between the Booster Club and the District, under the supervision of the Principal. The Sponsor is responsible for determining the various activities and trips in which the student group will participate with the approval of the Principal and Area Superintendent.

The **Booster Club** is responsible for supporting a student group, activity, or program. Support may be as simple as providing fan support at games or events or as complex as raising money to support an out-of-state competition. The Booster Club works through the Sponsor to provide assistance for the planned activities of the student group. The Booster Club decides the type and amount of assistance they will provide; however, the Booster Club does not have the authority to decide the activities or trips in which the student group will participate.

The **PTO** is responsible for supporting a campus activity or program. Support may be as simple as providing volunteer support on campus or as complex as raising money to support campus activities. The PTO works with the Principal to provide assistance for the planned campus activities. The PTO decides the type and amount of assistance they will provide; however, the PTO does not have the authority to decide the campus activities.

### **SANGER ISD PTO/BOOSTER CLUBS SHALL:**

1. Comply with SISD Policies, UIL Regulations, and Federal and Texas State Tax Laws for PTO/Booster Clubs.
2. Comply with administrative regulations and board policy when donating money or gifts to the district.
3. Have established bylaws to ensure stability, help resolve conflict, define processes and provide a roadmap for future officers.
4. Keep minutes of meetings.
5. Provide evidence of adequate insurance coverage for activities conducted on school premises. The district cannot provide insurance coverage for the PTO/Booster Clubs.
6. Have all fundraisers for the school year approved by the principal or his/her designee.
7. Pay all taxes and other debts incurred by the organization.
8. Keep financial records for required retention period and have audited either by an audit committee or independent auditor annually. In addition, financial records shall be submitted in the fall and spring of each year to the Superintendent.
9. Elect officers by member vote.
10. Follow the UIL Awards Rule and District policy when considering student recognition.

### **SANGER ISD PTO/BOOSTER CLUBS SHALL NOT:**

1. Use school facilities without prior written approval by the principal and/or Facilities Director.
2. Establish a “petty cash” or “miscellaneous funds” account for the coach or sponsor to use at their discretion.
3. Give a sponsor or coach a gift or cash in excess of the limits imposed by the UIL (which is \$500 in money, product or service within a calendar year) from any source in recognition of or appreciation for coaching, directing or sponsoring student activities.
4. Be permitted to collect student fees for items required to participate in a campus activity. (i.e., supply fees, uniforms, clothing, accessories, field trip fees, student trip fees, etc.)
5. Directly employ, contract, supplement or in any other way compensate a consultant, clinician, accompanist or paraprofessional for work performed for the student activity. These types of working arrangements must be managed through the principal, sponsor and the district business office.
6. Sign contracts or pay expenses directly from PTO/Booster Club accounts for any arrangements for student travel associated with the campus, student group or organization (i.e. hotel costs, transportation, bus or airfare, fees, etc.)
7. Use Sanger ISD tax identification number as the PTO/Booster Club identification number.
8. Use the Sanger ISD tax exemption form when making purchases for the PTO/Booster Club.

### **BEST PRACTICE RECOMENDATIONS:**

1. Do not use PTO/Booster Club funds to support any non-school activities. This includes summer leagues and tournaments. (ex. City Leagues, Select Teams)
2. Do not engage in any money-raising activity of a lottery/raffle nature. NOTE: Per board policy GKB Legal. A “qualified nonprofit organization” for purposes of the Charitable Raffle Enabling Act may conduct raffles in accordance with the Act to benefit a district or school.
3. PTO/Booster Club officers must have a child active in the program their PTO/Booster Club supports.
4. A member without a child active in the program shall not be responsible for duties that involve the

handling of money.

5. A PTO/Booster Club office may not be held by a spouse of another officer in the same club.
6. Provide meeting minutes and financial reports to the campus/district activity sponsor.
7. Annually provide a list of PTO/Booster Club board officers and contact information to the activity sponsor and campus administrator.
8. Booster Club bylaws should contain a dissolution statement such as: *“Upon dissolution of the Club or the winding up of its affairs, the assets of the club shall be distributed exclusively to the program activity fund at the designated campus”*.

### **RECORD KEEPING PRACTICES:**

The proper collection, reporting, disbursement and safeguarding of all money and other PTO/Booster Club assets rests solely with each PTO/Booster Club’s officers, not with the school district or with any of the district’s employees. The principal or sponsor may act in an advisory capacity only. No District employee shall be an officer of a PTO/Booster Club or have signatory authority on the bank account for a PTO/Booster Club at the campus they are employed. In addition, an employee of the District who has accounting or bookkeeping responsibilities shall not hold the office of Treasurer or have signatory authority on a PTO/Booster Club bank account.

A PTO/Booster Club does not have the authority to commit or to represent in any way the Sanger Independent School District or any of its campus locations. A PTO/Booster Club is responsible for any obligation incurred by the PTO/Booster Club whether the commitment is financial or otherwise.

Minutes of all PTO/Booster Club meetings will be kept in writing in the permanent records of the club.

Each PTO/Booster Club should seek competent tax and legal advice on their own and at their own expense on an as-needed basis.

District personnel will assist in whatever manner is feasible to facilitate PTO/Booster Club needs.

All PTO/Booster Club records should be maintained in a manner to facilitate the transfer of duties to new officers each year. Copies of financial records should be maintained for a period of five years in the permanent records of the organization. Many of these filings become public record upon the granting of exempt status and must be maintained for public inspection.

PTO/Booster Clubs should obtain a post office box or use a member’s personal or business address for all correspondence. A post office box would provide the greatest amount of flexibility for the club. Schools are neither equipped nor funded to receive, sort, safeguard or distribute mail for PTO/Booster Clubs.

### **BANK ACCOUNTS:**

The PTO/Booster Club must first obtain an Employer Identification Number from the IRS. See Federal Tax Information for more details.

Commingling of PTO/Booster Club funds /school activity funds is prohibited. Each PTO/Booster Club must have its own separate bank account at a facility within proximity of the school.

It is suggested that all funds received should be receipted and deposited within twenty-four (24) hours of receipt.

It is suggested that at least two officers sign each disbursement. Both signers should be parents or guardians with children in the affiliated organization. School district employees may not sign on PTO/Booster Club bank accounts on the campus where they are employed. In addition, an employee of the District who has accounting or bookkeeping responsibilities shall not hold the office of Treasurer or have signatory authority on a PTO/Booster Club bank account.

Capital equipment purchased with donated PTO/Booster Club funds becomes the property of the school

district and must be used exclusively at the school.

School employees may not accept loans of funds from parents and/or student organizations.

Payment from PTO/Booster Club funds may not be made to employees or to other individuals for any service rendered to a school district program unless the transaction is processed through the district business office. (ex. Payments for clinicians, consultants and similar arrangements) **NOTE:** Private lessons are paid by parents directly to private lessons instructors. This is not a campus or district contracted service. As such PTO/Booster Club scholarship programs to pay for these services are allowed to make payment directly to the private lessons instructors.

## **FUNDRAISING:**

Fundraising activities should support the educational goals of the District and schools and should not exploit students or jeopardize their safety.

All fundraisers for the school year must be approved by the principal or his/her designee. An application for permission must be made to the principal at the beginning of the semester or in a timeframe as directed by the campus principal

Elementary students may not participate in any door-to-door sales projects.

Programs of educational value must be given preference by the principal over activities primarily for the raising of funds.

No coercion should be exercised in fundraising activities and no student or teacher is required to raise any particular minimum amount of money or to sell any minimum number of tickets, etc.

All funds raised should benefit the group as a whole. Individual accounts should not be created to prorate funds by participation in a particular fundraiser.

## **Other Fundraising Information**

**RAFFLES:** A "raffle" is any activity that involves awarding a prize – anything of value, to one or more people who have purchased a ticket or promised something that has value in exchange for a chance to win a prize.

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.

The Texas State Attorney General's Office regulates the laws related to raffles. If your PTO/Booster Club is considering holding a raffle you should check the Attorney General's website to be sure your organization qualifies.

Texas Attorney General: Charitable Raffles

<https://www.texasattorneygeneral.gov/divisions/financial-litigation/charitable-trusts/charitable-raffles-and-casinopoker-nights>

## **SCHOLARSHIPS:**

Scholarships must be awarded based on a student's need or merit.

The members of the committee selecting the scholarship recipients should not be related to any of the potential recipients.

There should be a method of ensuring that the scholarship funds are used for their intended purpose by the recipients (for example, you could give the funds directly to the college or university for the student).

PTO offers high school seniors and faculty scholarships every year. To apply for these scholarships visit the following link. <https://www.txPTO.org/scholarships>

## **LIABILITY INSURANCE:**

As directed by Sanger ISD Board Policy GKD (LOCAL), PTO/Booster Clubs are responsible for providing evidence of adequate insurance coverage for activities conducted on school premises.

Additional information related to liability insurance requirements may be found on the District website on the Booster Club/PTO webpage.

## **TEXAS SALES TAX RULES FOR PTO/BOOSTER CLUBS:**

### **Important Rules to Remember:**

Purchases by the school are tax-exempt. No tax should be charged and paid by the school. No reimbursement will be made for taxes paid by a school or school organization. However, PTO/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. For further information, see the Comptroller's website at <https://comptroller.texas.gov/taxes/exempt/PTO/Booster.php>.

All PTO/Booster Clubs must apply for a sales tax permit number if they are selling items to students and/or parents. This allows PTO/Booster Clubs to purchase items without paying the tax up front. The PTO/Booster Club gives the seller a completed "Texas Sales Tax Resale Certificate" at time of purchase or placement of order. The tax is then paid later (remitted to the state by the PTO/Booster Club) at the time of the sale of the items to the students and/or parents.

Sales by a PTO/Booster Club are generally taxable. Questions about taxability should be addressed to the Texas Comptroller of Public Accounts.

<https://comptroller.texas.gov/taxes/publications/94-183.pdf>

All PTO/Booster Clubs must apply for their own sales tax permit number. They may not use the tax number of another PTO/Booster Club or the number of Sanger ISD.

To apply, go to <https://comptroller.texas.gov/taxes/exempt/PTO/Booster.php>.

## **U.I.L. BOOSTER CLUB GUIDELINES:**

University Interscholastic League  
1701 Manor Road  
Austin, Texas, 78722  
Phone: (512) 471-5883

<https://www.uilTEXAS.org/policy/guidelines-for-Booster-clubs>

## FEDERAL TAX INFORMATION:

The purpose of this section is to provide general tax information to PTO/Booster Clubs. It is each PTO/Booster Club's responsibility to seek competent professional tax advice for its own tax reporting and filing requirements. The information provided in this document is not intended to be specific or all-inclusive. PTO/Booster Club organizations should strive to remain in good standing with all federal and state regulatory agencies.

### **Why Do I Want To Be Tax-exempt?**

The IRS Tax Code provides for special treatment of certain organizations identified as "tax-exempt." Some benefits to becoming tax-exempt as a public 501(c)(3) organizations include:

1. Taxes are not paid to the IRS for revenues raised,
2. Contributions to certain tax-exempt organizations 501(c)(3) are tax-deductible by the contributor, and
3. Tax-exempt organizations are not required to file an information return (Form 990) unless the organization's annual gross receipts exceed \$25,000.

However, the following are restrictions placed on tax-exempt organizations that Parent Organizations/PTO/Booster Clubs **must follow** to receive tax-exempt status and to retain that status:

**Tax-exempt organizations must benefit a group as a whole instead of benefiting individual members of a group.** Since Parent Organizations/PTO/Booster Clubs usually assist student groups, all members of the student group sponsored are to be treated equally and receive the same opportunity to benefit from the Parent Organization's/PTO/Booster Club's assistance. Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need discussed below is met. 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.

**Tax-exempt organizations cannot require a person to participate in fund-raising activities.** Normally, Parent Organizations-PTO/Booster Clubs raise funds for a student group through the efforts of the Parent Organizations-PTO/Booster Club members; however, sometimes the students of the group being assisted participate in the fund-raising activities. A Parent Organization-PTO/Booster Club cannot require its members or the students in the related student group to participate in a fund-raiser. Furthermore, members of the student group who do not participate in fund-raising activities would receive the same opportunity to benefit as those members of the student group who participated.

**Tax-exempt organizations cannot require that a certain amount be raised or sold per person.** For example, a Parent Organization-PTO/Booster Club cannot require that each Parent Organization-PTO/Booster Club member or student of the assisted group sell \$20 worth of candy or sell 10 candy bars in a fundraiser.

When applying for tax-exempt status with the IRS, Parent Organizations-PTO/Booster Clubs should apply for the **public 501(c)(3) tax- exemption**. This type of exemption means that the organization is tax-exempt; the majority of its income is from the public; and all donations, subject to certain individual restrictions, are deductible on the contributor's tax return. In addition, 501(c)(3) organizations are eligible for state tax benefits and reduced postal rates.

**EMPLOYER IDENTIFICATION NUMBER:** The IRS requires all organizations (entities) that conduct business to have their own Employer Identification Number. The EIN is obtained with the SS-4 Form from the IRS. A member's social security number should not be used as the organization's EIN for banking or other business purposes.

**PTO/ Booster Clubs are not allowed to use the District's EIN.**

## **FEDERAL TAX INFORMATION: (cont.)**

PTO/Booster Clubs are independent organizations and are required to be established as either an exempt or non-profit organization with the IRS, **if their gross receipts exceed \$5,000 annually.**

### **Difference between Non-profit and Tax-Exempt Status**

Non-profit status is a state law concept. Non-profit status may make an organization eligible for certain benefits, such as state sales, property and income tax exemptions. Although most federal tax-exempt organizations are non-profit organizations, organizing as a non-profit organization at the state level does not automatically grant the organization exemption from federal income tax.

### **Applying for Exemption**

To qualify as exempt from federal income taxes, an organization must meet requirements set forth in the Internal Revenue Code. See Publication 557 on the IRS website at [www.irs.gov/charities](http://www.irs.gov/charities).



# Sanger Independent School District Booster Club Guidelines Acknowledgment Form

As incoming \_\_\_\_\_ for the \_\_\_\_\_ Booster club, I have  
*{Officer Position}* *{Specific Sport/Activity}*

read the Sanger 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 my Head Coach and then the appropriate District personnel for further instruction.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date